

...their own "intrapreneurs." Page 7.

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U.S. Offers Compromise Plan for Cuban Pullout From Angola

By David B. Ottaway
Washington Post Service

WASHINGTON — The United States has submitted its own compromise plan for the withdrawal of Cuban troops from Angola in an effort to break the deadlock between South Africa and Angola over the troops' presence.

A senior administration official said it was the first time Washington had presented its own proposals to break the deadlock over the Cuban issue. He said the more active U.S. diplomacy represented a "major new step" by the Reagan administration to get an agreement, and that it had been approved at the highest levels.

The official said the timetable was submitted to the two sides dur-

ing a visit to the region in mid-March by Chester A. Crocker, the assistant secretary of state for African affairs, who has been heading the U.S. mediation effort to arrange for the independence of the South African-administered territory of South-West Africa, or Namibia, which lies between South Africa and Angola.

In the past, the United States has sought to work out agreement between the conflicting positions of the two governments rather than present its own plan in the search for an overall regional peace settlement that would include the holding of United Nations-supervised elections in Namibia, the pullout of South African troops there, and the withdrawal of about 25,000 Cuban troops from Angola.

Both South Africa and the United States have been demanding the departure of the Cubans, and the issue has become the main hurdle to carrying out a United Nations plan approved in 1978 for Namibian independence.

The official also said the plan reflected a realization that the United States would have to become more directly involved in the negotiating process if any agreement were to be reached, because South Africa and Angola were still far apart on the timing and extent of a Cuban troop withdrawal.

South Africa wants all Cuban troops to withdraw almost immediately upon the start of the seven-month election procedure in Namibia. Angola announced last November its agreement to the de-

parture of most, but not necessarily all, of the Cubans, as part of an overall Namibia settlement.

Complicating the Cuban issue is the breakdown of a U.S.-arranged agreement in Lusaka, Zambia, in February 1984 under which South African would withdraw all the troops it sent into Angola to curb incursions of Namibian nationalist guerrillas based there. The South African forces halted their withdrawal about 25 miles (40 kilometers) from the Namibian border.

U.S. officials refused to disclose details of the proposed U.S. compromise. But it was understood to support the South African objective of getting all Cuban troops out of Angola through a phased withdrawal. This would allow the Angolan government time to adjust to

security problems created by their departure.

State Department officials said that Washington had sought unsuccessfully for the past four months to extract "ideas" for a compromise from the South African and Angolan governments.

"After four months of trying to elicit ideas, we decided to come up with our own ideas," an official said.

He said the U.S. plan was a "synthesis paper" and represented an extrapolation from the declared Angolan and South African positions on the Cubans and amounted to "an outline of what an agreement might look like."

"It represents where we see the two sides going," he added.

The officials said the U.S. plan took no position on another issue the Angolans consider delicate: the possible formation of a coalition government in Luanda that includes the opposition National Union for the Total Independence of Angola, or UNITA. The group has been carrying on a guerrilla war against the central government since Angola's independence in 1975.

Rebels Claim Success

UNITA said its guerrilla forces killed 156 government troops and a Cuban soldier in recent fighting. The Associated Press reported from Lisbon. UNITA said eight of its forces were killed, 32 were wounded and one was missing in the fighting.

WORLD BRIEFS

UN Chief Visits Tehran to Discuss War

TEHRAN (Reuters) — The United Nations secretary-general, Javier Pérez de Cuellar, arrived Sunday saying that he wanted only to discuss Iran's position on its war with Iraq, rather than to offer specific proposals on ending the conflict.

Mr. Pérez de Cuellar, who plans to visit Baghdad later in the week, said last week during a tour of Saudi Arabia, Oman, Bahrain and Qatar that he would visit the capitals of the warring countries only if he could discuss all aspects of the four-and-a-half-year conflict.

But the diplomat apparently changed his mind and decided to visit Tehran and Baghdad anyway after meeting in Doha, Qatar, with envoys from Iran and Iraq. He had indicated earlier that Iran was blocking the visit by refusing to discuss all aspects of the war.

Christian Units Shell Center of Sidon

SIDON, Lebanon (Reuters) — Christian militiamen shelled the center of the southern Lebanese port of Sidon on Sunday, residents said, after heavy overnight fighting against Moslem forces in which four persons were wounded.

The Christian Voice of Lebanon, a rightist radio station, said two Christian areas east of Sidon also came under rocket and artillery attack. Meanwhile, sources said about 100 Christian leaders, including former presidents, politicians and militia chiefs, will meet Tuesday to discuss a political crisis involving Syria's role in Lebanon that has split the Christian community.

Libyan Exile Killed in West Germany

BONN (NYT) — Gebril Denali, an exiled opponent of Colonel Moammar Qadhafi, the Libyan leader, was shot and killed Saturday by a Libyan gunman on a crowded Bonn street.

A police spokesman identified the gunman only as Fatahi T., a 29-year-old Libyan national. The spokesman said the man was apprehended, with a pistol still in his hand, by an off-duty policeman soon after the shooting.

A West German woman was seriously wounded in the stomach, and a male passer-by was grazed by a bullet, the spokesman said, adding that Mr. Denali, 30, had been shot in the head several times and had died of his wounds in a hospital.

The slaying of Mr. Denali, who was seeking political asylum in West Germany, was the latest in a series of killings involving political opponents of the Libyan leader, and the second one in Bonn.

U.S. Crime Rate Fell 4.5% Last Year

WASHINGTON (AP) — A government survey shows overall crime in the United States fell 4.5 percent last year, but there was no drop in the rate of such violent crimes as rape, robbery and assault, the Justice Department said Sunday.

The National Crime Survey, which measures crimes not reported to police as well as those reported, also showed that the rate of household burglaries and larcenies fell to the lowest level in the 12 years of the survey's existence.

The crime survey is based on interviews with a national sample of more than 125,000 people. Based on the preliminary figures for 1984, there were 35.3 million "victimizations" compared with 37 million a year earlier, the Bureau of Justice Statistics said.

For the Record

Union Carbide Corp. will resume production of methyl isocyanate within two weeks at its West Virginia plant, the company said. It halted production after a leak of the chemical from a plant in India killed more than 2,000 people. (AP)

John Lawn, 49, will be nominated to head the U.S. Drug Enforcement Administration, replacing Francis M. Mullen Jr., President Ronald Reagan announced. Mr. Lawn is not acting director. (UPI)

Henry G. Cisneros, the mayor of San Antonio, Texas, defeated five challengers overwhelmingly to win a third term Saturday. (AP)

President-elect Tancred Neves of Brazil is suffering from a lung inflammation, his doctors said after a sophisticated X-ray examination, but will not require additional surgery for intestinal problems. Mr. Neves, 75, was described Sunday as being in good condition. (AP)

Thirty-seven persons died when a bus carrying about 45 people plunged into a reservoir in western Yugoslavia on Saturday, police said. Most of the passengers were building workers returning home to the town of Mostar from work in Sarajevo. (Reuters)

Pope John Paul II will receive President Erich Honecker of East Germany in a private audience April 24, the Vatican announced. (AP)

Thousands in West Germany Protest U.S. Nuclear Policy

MUTLANGEN, West Germany — Thousands of people demonstrated Sunday throughout West Germany against President Ronald Reagan's Space Defense Initiative and the deployment of U.S. nuclear weapons in the country.

A spokesman for the peace movement said that at least 20,000 people took part in dozens of demonstrations and rallies Sunday in every state, many of them at U.S. West German and allied military installations.

At the U.S. Pershing-2 missile base Mutlangen east of Stuttgart, more than 200 people staged a token blockade of the main gate and 12 protesters got through a net of barbed wire and entered the facility. Police chased the demonstrators out but witnesses said that at least two were detained.

The protesters framed the main gate with a banner saying "Freedom through Pershing-2, a parody of the 'Freedom through Work' signs mounted over the gates of Nazi concentration and extermination camps before and during World War II.

Elsewhere, police said that about 2,200 people demonstrated on the Baltic coast in Kiel, Lübeck and Flensburg, all of which have important West German and NATO naval bases.

The traditional Easter peace demonstrations were organized by trade union, church, student and opposition political groups.

On Saturday, Friedrich Zimmermann, the interior minister, charged that Communists had played an unprecedented role in organizing the protests.

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U.S. Attaining Trade Goals

(Continued from Page 1)

"sanity and reason will take over" during the Easter recess. The U.S.-Japan relationship, he said, "is too important to be disrupted by a wave of emotion."

The relationship is too valuable, too strong, too precious to let differences of the moment create a situation which we will be sorry for in the future," he said.

While an anti-Japanese feeling "exploded" in Congress, Mr. Mansfield said, "I'm not at all certain it exploded in the country."

Mr. Mansfield said he was "disturbed at the way Japan is being made the scapegoat for the U.S. merchandise trade deficit last year of \$12.3 billion, nearly \$7 billion of which resulted from trade with Japan. Mansfield urged Congress and the administration to work together to solve the country's own economic problems — the overall dollar, high interest rates and rising budget deficits — that bear the major responsibility for the trade deficit.

"The Japanese have to open their markets," he said. "We have to do our thing here."

But Mr. Mansfield, 82, who had been a Democratic senator from Montana for 25 years, said that strong attacks on Japanese trade practices by legislators who have been noted for their free-trade attitudes, such as Senator John Chafee, a Republican of Rhode Island, helped speed the trade talks.

He said that Mr. Chafee's introduction of a bill that would bar Japanese telecommunications products from the United States if American companies did not get equal access in Japan was "the straw that broke the camel's back" during the Tokyo negotiations.

"It probably had a large part to play in bringing the negotiations to a successful conclusion," Mr. Mansfield said.

Mr. Mansfield said Prime Minister Yasuhiro Nakasone took great political risks to gain the trade concessions the United States demanded.

Five in Egypt Sentenced To Be Hanged for Rape

CAIRO — An Egyptian court has sentenced five men to hang for raping an 18-year-old woman, the Egyptian Middle East News Agency has reported. A sixth man was sentenced to seven years of hard labor.

The rape, which took place in a suburb of Cairo last January, caused an uproar in parliament, with members calling for strict punishment for rapists after an increase in the number of cases, the agency said Saturday.

Brigitte Bardot Awarded French Legion of Honor

PARIS — Brigitte Bardot, 50, was named a knight of the French Legion of Honor Sunday for her "30 years of cinematographic activity."

Miss Bardot, an actress who retired from film in 1973, has spent much of her time since then in semi-seclusion on the Riviera.

For Mubarak, Harboring of Nimeiri Could Damage Relations With Sudan

By David Lamb
Los Angeles Times Service

CAIRO — For more than a year, Egypt has viewed the behavior of Gaafar Nimeiri as eccentric and his political longevity in Sudan as a liability, but the neighboring countries are linked by their mutual dependence on the River Nile and the closest alliance in the Arab world.

So when Major General Nimeiri's white Boeing 707 jetliner touched down in Cairo on Saturday, carrying the Sudanese president en route to Khartoum from Washington, President Hosni Mubarak of Egypt was at the airport to greet — and perhaps counsel — the man whose country's stability has always been crucial to Egypt's own well-being.

General Nimeiri talked quietly as he and Mr. Mubarak walked into the presidential airport lounge for two hours of private discussions. There Mr. Mubarak confirmed the news, broadcast from Khartoum by way of Nairobi only minutes before, that the Sudanese armed forces had taken power and ended General Nimeiri's 16-year reign.

According to highly placed Egyptian sources, General Nimeiri was determined to return to Khartoum anyway. He strode to his plane and for five minutes he and Mr. Mubarak stood at the ramp, with Mr. Mubarak finally persuading him that it was too dangerous to return.

Mr. Mubarak will need to establish good working relations with the new Sudanese regime, yet harboring the man it overthrew might be an obstacle. At the same time he does not want to turn his back on General Nimeiri, who has been a loyal friend to Egypt, and was one of only two Arab leaders not to cut

diplomatic ties when Egypt made peace with Israel in 1979.

"Of course Nimeiri has alienated a lot of people, but I don't think the new regime will hold it against us for keeping him," a senior Egyptian official said. "It is traditional for Arabs, particularly Sudanese, to take asylum here, and I think the new regime would rather have him in Cairo than running around some place else. In a way this can work to everyone's advantage."

The Egyptian foreign minister, Esmat Abdel Meguid, announced Sunday that Mr. Mubarak has been in contact with the new Sudanese leader, General Abdul Rahman Mohammed Hassan Swaredhabah. He affirmed that Egypt stands solidly beside the people of Sudan, and said that Egypt would continue contacts with the new leadership in Khartoum.

Two radical Arab states, Syria and Libya, applauded the overthrow, largely because General Nimeiri had aligned himself with those willing to make peace with Israel and because, as an ally of Egypt and the United States, he represented all that the hard-liners reject.

Egyptian intelligence sources did not find Libya's initial response significant nor do they believe that General Swaredhabah has ties to Tripoli or any other foreign capital. They point out that Libya's ruler, Moammar Qadhafi, has constantly tried to undermine General Nimeiri and would have welcomed any change in leadership.

The Egyptian intelligence reading — which is usually accurate in Sudanese affairs — is that the coup was not really plotted or planned but rather was a spontaneous result of public discontent exerting political pressure on the army to show moral leadership. The soldiers had the choice of responding to the de-

mands in the name of General Nimeiri or the name of the people, and they choose the latter.

General Swaredhabah is well known to Cairo authorities. He traveled here often as army commander in chief, the post he held before General Nimeiri placed him in charge of all of the armed forces as defense minister March 18. He is described as a low-profile soldier with no apparent political ambitions. "He has never been a star and no one gave him much notice," an Egyptian official said.

Egypt's uneasiness with General Nimeiri, though never publicly spoken, was well known over the past year. As General Nimeiri's situation began unraveling in the face of internal economic and political woes, Mr. Mubarak went on record saying that he would help protect the Nimeiri regime militarily in case of foreign intervention — a reference to Libya — but would not interfere in internal unrest.

In his statement Sunday, Mr. Abdel Meguid reiterated Egypt's willingness to aid Sudan militarily, saying, "Egypt wants once again to call elections as soon as Parliament approves the amendments in its internal affairs or a violation of its sovereignty and rights, and asserts its determination to uphold its commitments to this dear nation."

Although never publicized, Egypt has a training center for army officers and an air force presence in the Sudan. The two countries are joined by a 25-year defense pact, signed in 1976, and an agreement for economic integration, signed in 1982. Mr. Mubarak has often spoken of Egypt and the Sudan being "one country secured by the same artery," the Nile, whose flow, which can be controlled by the Sudan, is crucial to Egypt's survival.

Nimeiri Overthrown in Sudan Military Coup

(Continued from Page 1)

tion, abolished the country's single party, fired all the top officials, closed the borders and said the military is in charge everywhere," a U.S. official said. "But that does not tell you anything. Can he carry out such things as critical economic reforms, reconciliation with the non-Moslem south, and win the backing of the city intellectuals and professionals?"

Sudan has been the largest American foreign aid recipient in Africa after Egypt. It has been receiving about \$200 million yearly in military and economic aid. But in recent months, because of the failure of Sudan to put certain economic changes into effect, the economic aid had been withheld. During General Nimeiri's visit to Washington, President Ronald Reagan released \$67 million from the aid for fiscal year 1984.

The State Department said in a public comment: "We have had a close relationship with the Sudan."

Civilian Elite Spurred Coup

(Continued from Page 1)

better chance than President Carter did in Iran.

Unlike Iran, Sudan is not an oil power. Rather, it is one of the poorest and most ill-managed of Third World countries. And it is totally dependent on U.S. grain shipments to avoid mass starvation among its population of 22 million.

That leverage alone — if tactfully manipulated — should be more than enough to prevent any radical anti-Western government from taking over in Khartoum, according to observers.

Neither the army nor most of the professional elite is anti-Western, although many intellectuals are furious that the United States insisted on backing General Nimeiri to the end.

The Sudanese elite, one of the most respected in the Third World, has convinced itself that the Reagan administration backed General Nimeiri largely because it did not have the courage to live with the uncertainties that necessarily must follow his removal.

based on a convergence of enduring national interests. We expect that this relationship will continue. We are obviously monitoring the situation closely. Our diplomatic relationship with the government of the Sudan continues."

General Nimeiri, who came to power in a military coup in May 1969, had cut short an overseas tour to return to Sudan to try to quell the growing unrest. He arrived in Cairo from Washington for talks with President Hosni Mubarak of Egypt shortly after the bloodless military coup took place. The deposed president was met by Mr. Mubarak and two senior Egyptian officials.

Egyptian officials said that General Nimeiri was later dissuaded by his pilot and by Mr. Mubarak from trying to return to Khartoum because his return would endanger him.

The coup came as Sudan was sliding rapidly toward political, economic and military chaos. Since Wednesday, a general strike led by doctors, lawyers and other professionals had cut off all telegraph and telephone communications with Khartoum.

A rebellion backed by Libyan arms in the Christian and animist southern provinces of the country, meanwhile, has steadily gained momentum.

Guatemala Rights Aide, 2 Others Found Dead

NEW YORK Times Service

NEW YORK — The body of the secretary of the Support Group for Families of the Detained and Disappeared in Guatemala was found in her car at the bottom of a ravine south of Guatemala City, according to a spokesman for the group. The bodies of her brother and young son were found with her.

The official, Maria Rosario Goody de Cuevas, was reported missing Thursday on her way to a meeting of the group. Her body was found Friday. On March 30, the group's press liaison officer, Hector Orlando Gómez, was abducted as he left a meeting of the group, according to the spokesman. His body was found the next day outside Guatemala City.

Church Fire Called Accident

LUXEMBOURG — A fire that destroyed a 17th-century spire of Luxembourg's Notre Dame Cathedral and damaged the roof of the nave on Friday was probably caused by a lit blowtorch left behind by workmen, police said Saturday.

French Prime Minister Arrives in South Korea

United Press International

SEOUL — Prime Minister Laurent Fabius of France arrived here Sunday for a visit officials hope will strengthen bilateral relations which have been soured by France's decision to upgrade a North Korean trade mission in Paris.

In meetings with Mr. Fabius, the first French prime minister to visit South Korea, South Korean officials will try to obtain assurances that France will not further improve relations with North Korea, government sources said. Before leaving Paris, Mr. Fabius was quoted as saying: "We hope to have relations with all Korean people but only on the conditions that are acceptable to the whole of the Korean people."

Police Defuse Bombs At 2 Spanish Resorts

VALENCIA, Spain — Spanish police defused two bombs timed to go off near large hotels in the eastern Mediterranean resorts of Alicante and Villajoyosa during the Easter holidays, police said Sunday.

No group claimed responsibility for placing the bombs, but Basque or Catalan separatist guerrillas were suspected, police said. Meanwhile, a bomb wrecked the offices of a construction firm in the southwestern port of Huelva. A spokesman for the firm said the attack could be related to recent threats against construction companies by GRAPO, the Oct. 1 Anti-Fascist Revolutionary Group, a leftist group.

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CHINESE-ITALIAN ACCORD — The Italian defense minister, Giovanni Spadolini, signed a military agreement Sunday in Beijing, as his Chinese counterpart, Zhang Aiping, far right, watched. Under the agreement, Italy will sell weapons technology to China, and may train Chinese troops in parachute jumping and mountain fighting.

Greek Parliament Votes to Approve Limitations on Powers of President

ATHENS — The Greek Parliament has given preliminary agreement to constitutional amendments trimming presidential powers, paving the way for early general elections that are expected to be held in June.

Prime Minister Andreas Papandreu, whose Socialist government is facing a constitutional crisis, has asked President Christos Sartzetakis to call elections as soon as Parliament approves the amendments in two rounds of voting.

In Saturday's first round, 182 of the 300 deputies, two more than the required minimum of 180, voted for the changes, while 100 conservatives voted against and 18 members were absent.

The second vote will be held in a month, but the changes cannot be final ratification until after the elections.

Soviet Said to Bug French Embassy

By Michael Dobbs
Washington Post Service

PARIS — Soviet intelligence services secretly bugged communications equipment at the French Embassy in Moscow for more than five years, according to official documents obtained by Le Point, a French newsmagazine.

The revelations, published this week, are likely to add fuel to a controversy here over the scale of Soviet espionage operations.

A spate of officially inspired leaks of intelligence information carried by the French news media in the past week marks the second anniversary of the French government's expulsion of 47 Soviet officials from Moscow for alleged spying. The Soviet Embassy here has protested the leaks to the French Ministry of External Relations.

French journalists have been told by contacts in the French counterintelligence service that many documents being leaked to the press were supplied by a colonel in the Soviet secret service, the KGB. The colonel, whose name and whereabouts are being kept secret, is said to have supplied the names of KGB officers stationed abroad.

The Point said that the Soviet colonel's revelations had led to the expulsion of 148 Soviet officials worldwide in 1983, a sharp increase over the 34 expulsions in 1982.

It published a message from the French Embassy in Moscow to the Foreign Ministry in Paris on Jan. 11, 1983, stating that electronic bugs had been found in all of the embassy's teleprinters.

Thierry Wolton, Le Point's intelligence specialist, said that the bugging of the teleprinters, installed in the embassy between October 1976 and February 1977, meant that the KGB had access "to all the diplomatic messages received and sent by our embassy in Moscow, including the most secret."

A spokesman for the French Ministry of External Relations refused to comment on the magazine's allegations.

Pope Invokes the Sacrifice of War

(Continued from Page 1)

the square to show their desire for an end to hunger and war.

The pope offered Easter wishes in 46 languages, including, for the first time, in Cambodian. He also gave a Passover greeting in Hebrew.

In his address, John Paul spoke of the followers of Jesus who, according to the Gospel, went to his tomb and found it empty on Easter morning.

"Before every tomb, humanity questions itself," he said. "It questions itself especially when the tombs are the legacy of the hurricane of violence and destruction caused by war."

"Spontaneously," he said, "our memory goes back to 40 years ago, when, in Europe and Asia and other continents, the Second World War, unleashed by a mad imperialism, ideology, was coming to a close."

"For more than five years, humanity had lived a horrendous ex-

perience," he went on. "Tens of millions of people massacred on the battle fronts, cities razed to the ground, slaughter in the air and on the sea, populations ruined by hunger and privations."

In addition, the pope said, "other tens of millions of human beings" were "decimated and destroyed in concentration camps."

"The Jewish people," he went on, were "condemned to extermination."

At the end came "the terrifying revelation of the first atomic explosions," he concluded.

John Paul said that at the war's end, the victorious allies issued the Universal Declaration of Human Rights and other statements designed to reaffirm "the fundamental rights of all men and women, and of all nations, big or small."

"Their intention was thus to eliminate the very root of war," he said, "since war is born of the violation of the rights of individuals and of peoples and shatters the just social order."

Yet the pope sketched a bleak landscape in describing the war that followed the war.

"Forty years ago, the war ended," he said. "Has peace, as the result of a just social order, been truly affirmed? Peace, which is grounded in real respect — not only for the letter but for the spirit — for the rights of human beings? And for the rights of nations?"

Brigitte Bardot Awarded French Legion of Honor

PARIS — Brigitte Bardot, 50, was named a knight of the French Legion of Honor Sunday for her "30 years of cinematographic activity."

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BRIEFS

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Congress Using Foreign Aid as Leverage to Influence Policy

By Steven V. Roberts

New York Times Service

WASHINGTON — The House Foreign Affairs Committee decided last week that an aid program for the Upper Hualaga Valley in Peru could go forward only after the Agency for International Development determined that cultivation of coca leaves, the raw material for cocaine, had been reduced in the valley.

Aid to Paraguay, said the panel, would be halted until a "good faith effort" had been made to determine the whereabouts of Josef Mengele, a Nazi doctor reported to be hiding out in that country.

Jordan could not purchase sophisticated American weaponry under the bill until the president certified that Amman was "publicly committed to the recognition of Israel" and ready to enter peace negotiations.

These are only three of the dozens of clauses, conditions and constraints contained in the 121-page, \$14.5-billion foreign aid bill adopted by the committee. They are another demonstration of the determination of Congress to influence foreign policy.

"We feel this is our one chance to express our views on a number of issues," said Representative Howard L. Berman, Democrat of California, who is on the Foreign Affairs Committee. "Some people would ac-

cuse us of micromanagement, but that stems from our frustration. This is the only vehicle on which we can do anything. Otherwise it's all talk."

The growing tendency of Congress to encumber foreign aid bills with all sorts of restrictions and provisions has caused the legislation to stall in recent years. No authorization bill has become law since 1981, leaving the foreign aid program to be financed through catchall spending bills known as continuing resolutions under which Congress cannot specify where and how most aid is spent.

Senator Richard G. Lugar, Republican of Indiana and chairman of the Senate Foreign Relations Committee, said he was encouraged by the "spirit of comity" that marked his committee's drafting sessions on the foreign aid bill last week.

He expressed "some optimism" that this year the bill would go through. But it still has problems.

"There is a danger that we get too detailed," warned Senator Daniel J. Evans, Republican of Washington.

"As a fundamental policy we ought to be working on the major thrusts of foreign policy. Sometimes we spend too much time and effort on micromanaging the aid program."

Congressional activism on foreign aid reflects the fact that more and more senators and representatives want to have a say. "One hundred senators all have foreign policy interests now," noted Mr. Lugar, "and they feel they ought to play a role."

The foreign policy committees have also attracted lawmakers with strongly held views on particular issues. For example, a number of Jewish members sought places on the House panel in part because of a deep interest in Israel.

Since joining the committee this year Representative Christopher H. Smith, Republican of New Jersey, has concentrated on pressing his anti-abortion views.

With the Democrats controlling the House and the Republicans in charge of the Senate and the White House, the Democrats have tried to use the foreign aid bill to influence government actions.

"Democrats here don't feel that we have enough ability to quietly convince the administration of our concerns," said Mr. Berman. "So this becomes our vehicle."

In the view of Representative Howard E. Wolpe, Democrat of Michigan and chairman of the House subcommittee on Africa, many lawmakers have been

moved to activism by what they regard as the misjudgments of Reagan administration foreign policy. "What you're seeing," he said, "is a breakdown of consensus and a low degree of trust between the administration and congressional foreign policy-makers."

This assessment seemed to be borne out in a number of provisions adopted by the House committee, including the following:

• An additional \$1.5 billion in economic aid for Israel in the current fiscal year. In the process, the panel brushed aside an administration request for a delay.

• A requirement that aid to El Salvador be contingent on a report by the president detailing that country's progress toward ending violations of human rights. The administration opposed any required report and the Senate committee did not include one.

• A clause making military aid to Guatemala contingent on the installation of a democratic government.

• An allocation, opposed by the administration, of \$5 million in military aid to non-Communist guerrillas in Cambodia fighting the occupying forces of Vietnam.

WINNER'S CIRCLE — President Ronald Reagan, surrounded by members of the Villanova University basketball team that won the national championship last week, holds a Villanova jacket at a White House ceremony. From left are Ed Finckley, Harold Pressley, Mr. Reagan, Steve Pinone and the coach, Rollie Massimino.

AMERICAN TOPICS

Women's Colleges Adapt and Survive

A survey by the Women's College Coalition shows that, of 5,000 women's college alumnae of 1967-1977, 71 percent said they would go to the same institution if they were starting over, and 58 percent said they would encourage their daughters to attend a women's college.

There were 142 women's colleges in the early 1970s, when the service academies and most men's colleges started admitting women and prominent women's schools like Vassar and Skidmore began admitting men. Today, 110 colleges exclusively for women have survived, with 110,000 undergraduates, or 2 percent of female college students. Enrollment at women's colleges is actually up 25 percent in the past decade.

"There are whole new fields opening to women, so obviously women's colleges had to expand their offerings," says Rhonda Dorsey, president of Goucher College in Towson, Maryland, which now has courses in management, public affairs and communications. Randolph-Macon Woman's College in Lynchburg, Virginia, offers computer sciences and business administration.

Nannerl O. Keohane, president of Wellesley College in Wellesley, Massachusetts, says, "We have a very important and validated mission in preparing women, and we have a pretty good sense of how to do it best."

Pittsburgh Banned At No. 1 Ranking

Pittsburgh, accustomed to being called a grimy steel town, is still getting used to its title as the best place to live among all 329 of the metropolitan areas in the United States.

Although Pittsburgh has more office buildings than steel mills these days, Peter Leo, a columnist for The Pittsburgh Post-Gazette, wrote, "On behalf of Pittsburgh, I demand a recount." Warning that all the publicity would attract even more of the young professionals who already have invaded the city, Mr. Leo said, "We don't have enough jogging shoes to go around."

'Hate Crimes' Held Unloggable

Justice Department officials said at a recent hearing of a House Judiciary subcommittee that it would be too difficult to include "hate crimes" — those

racially, ethnically or religiously motivated — in the Federal Bureau of Investigation's crime statistics and suggested that Congress collect newspaper clippings to obtain such information.

The burglarizing of a synagogue, for example, could have been motivated by personal gain, officials said. Steven R. Schlesinger, director of the department's bureau of statistics, said, "In certain clear-cut cases, such as a cross burning on a lawn or the painting of a swastika on a temple, the racial or religious overtones are quite clear. Most crimes, however, are not of this nature."

John Conyers Jr., a Michigan Democrat, said, "These problems are bigger than going to a clipping service. That's a simplistic solution."

Notes About People

Senator Edward M. Kennedy, when asked again by reporters last week if he still wanted to be president, replied, "I've said that for years and years. I think that's probably the least well-kept secret of public life."

Jeane J. Kirkpatrick, the former U.S. ambassador to the United Nations, has signed for a series of speaking engagements in the United States and abroad with Harry Walker Inc., a New York lecture bureau. Mr. Walker said her fees will rank with those of "the most sought-after speakers of the world."

That could mean as much as the \$20,000 or more an appearance commanded by Henry A. Kissinger, the former secretary of state, who also is a Walker client, as are such former leaders as Gerald R. Ford, Edward Heath and Helmut Schmidt.

Although he has no intention of retiring soon, Jack Anderson, 62, the Pulitzer Prize winner who took over his Washington column in 1967 from the late Drew Pearson, who started it in 1931, has named two of his chief investigative reporters as his heirs apparent: Dale van Atta and Joseph Spear who will share the byline on alternate days.

The president and vice president have official residences; now the State Department is looking for one for the secretary of state, who also is a Walker client, as are such former leaders as Gerald R. Ford, Edward Heath and Helmut Schmidt.

— Compiled by ARTHUR HIGBEE

Next Step for Duarte: How to Define the Rules

By James LeMoyné

New York Times Service

SAN SALVADOR — Politicians and foreign diplomats here say President José Napoleón Duarte's electoral triumph over his rightist opponents is almost certain to give him the power he needs to alter the economic and political structure of El Salvador.

But if he is to govern effectively, these officials say, Mr. Duarte must use his office in a way that has not previously been open to him.

"He has to define the rules of the game and what he really thinks of social reforms," a close confid

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Get Diplomacy Working

Notwithstanding the Sandinists' quick and defiant rejection of it, President Reagan's new Nicaragua plan is a step forward in one important respect: It points a way to suspension of the war for at least two months in order to give negotiations a better chance.

The regime in Managua refused to accept the basic terms of the Reagan offer—a cease-fire and talks with the resistance—when the resistance put them forward on March 1. But now the official U.S. weight is behind those terms. And with Colombia's president pronouncing the new plan "positive," Mr. Reagan has some basis for asserting that "we'll have the support of the Contadoras"—the Latin democracies that have been trying to mediate.

Mr. Reagan does not dispute that it was congressional opposition to funding the "contras" that led him to his new plan. It reflects his still intense and lopsided focus on keeping them in the field. He insists that the Sandinists will not negotiate unless Congress releases \$14 million for nonmilitary needs of the "contras" right away and leaves him free to fill their military needs if talks do not pan out soon. For this he is being widely accused, by the Sandinists and others, of demanding unreasonably that Managua negotiate with a gun at its head.

This is so, although, given the Sandinists' treatment of their opposition, it is not far-fetched for Mr. Reagan to fear getting trapped in a situation where talks drag on and on.

The more relevant question remains what will best move the Sandinists toward respect for their neighbors and—much more the difficult and controversial goal—toward reconciliation with fellow Nicaraguans. The Nicaraguan resistance has some notable democratic elements. But the three-year record of this U.S.-backed insurgency does not build confidence in its utility as a bargaining lever. It has given the Sandinists the high ground of Nicaraguan nationalism, undercut mediation by the Latin democracies and kept Mr. Reagan fighting a costly uphill battle at home.

It needs to be underlined that the reluctance

of many Americans to support the "contras" militarily comes not from favor for the Sandinists but from an objection to reliance on military intervention in Central America. That the Sandinists also object to intervention does not make it more palatable. The element that the Contadora group is encouraging in U.S. policy is not the threat of a return to intervention in 60 days—but the possibility of a wider ambit for the group's own diplomacy.

It would be a waste if all Mr. Reagan's new plan produced were a hotter argument over the "contras." Believers and skeptics alike ought to try to profit from the fact that he offers a new way to put together a military policy and the pursuit of a political settlement. He has reshuffled some of the cards. Perhaps more of them can be reshuffled at the same time.

The prime requirement is an intense common effort to get a prompt and unconditional cease-fire. The initiating side, and its patrons, will deserve much credit. The side that drags its feet will lose accordingly. A cease-fire can save lives, lower the temperature and improve the atmosphere for talks.

One can imagine a cluster of talks and of bids for talks: between Nicaragua, between the United States and Nicaragua, and in the Contadora group. The Sandinists and their Nicaraguan opponents have much to talk over and much to compromise on. Washington and Managua could usefully resume the bilateral talks that the Reagan administration broke off. On the Contadora group, however, falls a special responsibility to use the moment well. Its urgent task is to address the objections that other Central American nations have to the Contadora draft that Nicaragua accepted last Sept. 7. These objections relate mostly to inspection and verification of crucial noninterference measures binding on both sides. This seems to us the likeliest place for early progress to demonstrate what desperately needs demonstrating: that there is an alternative to war.

—THE WASHINGTON POST.

The Soviet Oil Problem

Soviet oil production fell last year for the first time in a generation. It must have been a profoundly unpleasant shock in a country that, like America until the early 1970s, was accustomed to a steadily rising supply. There have already been repercussions. In the past couple of months the ministers of oil and of electric power have, as the Soviets say, retired.

The immediate cause of the trouble seems to be the inadequate maintenance that is common in Soviet industry. Perhaps improved management, under a new oil minister, can put Soviet oil production back on that rising curve—for a time. But somewhere ahead of them lies a more intractable limit. Although Soviet resources are enormous, the geology of Siberia has important similarities to that of North America. Development of America's oil fields started several decades earlier, and it seems likely that Soviet production will follow the same general pattern. American production peaked in 1970 and fell in the following years. Despite the enormous price increases, the supply of American oil has not risen. It has only stopped falling, and now seems to be stabilized at roughly 8 percent below the level of 15 years ago. Simply holding that level is requiring a

gigantic effort by the oil industry, with high capital investment. There have been slight gains in production in the past several years, but those gains have been won only by a dramatic expansion of drilling. The number of oil wells drilled in the United States last year was more than 41,000—a record, and more than double the rate in the late 1970s.

Soviet ability in this technology is not to be underestimated. For more than a decade they have produced more oil than any country in the world, and have done it in a region with an unforgiving climate. Several years ago they surpassed the United States to become the world's leading producer of natural gas as well. But to hold the present output steady is going to require an increasingly strenuous exertion.

The United States responded to the constraints on its domestic oil production in the 1970s by increasing imports. The Soviets are unlikely to do that. One reason is that they now depend on oil exports for most of their foreign exchange earnings. They may be approaching a time when the struggle to maintain oil production joins their agricultural struggle as a source of economic strain.

—THE WASHINGTON POST.

Other Opinion

An Arms Vice Closes on Japan

The international military situation in the Far East surrounding Japan has become tense. We wonder if it is not possible for the United States and the Soviet Union to have talks to prevent the further spread of military deployment and whether Japan, with the cooperation of other Asian nations, can work for a similar purpose. The superpowers' military buildup race around Japan will needlessly heighten the tension in the region, inviting a dangerous situation not only for Japan.

—The Mainichi Daily News (Tokyo).

Anti-Anti-Semitism in the '80s

Without [traditional Christian anti-Semitism] the Nazis could not have created the Holocaust. They used the demonization of the Jews by the Christian churches to condition their own citizens to indifference, their murder squads to insensibility and the rest of world to closing its eyes, ears and doors.

The Jews and the Christians are now approaching each other on a mutual moral basis: the perfectibility of the world, in this world. Terrible acts such as those recently in Paris show that our fight is by no means over. But

today's anti-Semitism, rather than racial or even economic, is predominantly political. Therefore the fight against it should concentrate on political means.

—Gerhart Riegner, who has long worked for Jewish-Christian rapprochement, quoted in *The Sunday Times* (London).

Not the Way to Help Blacks

Many people are tempted to regard the recent upheavals in South Africa as the beginning of the end of the white-dominated regime. It is almost equally tempting to believe that the cause of the blacks could now be furthered by pressure and threats from other countries. But both assumptions are entirely false. Political motives may be behind the riots in isolated cases, but their main cause is the economic recession, which affects lower-income groups most severely. And although the chief sufferers are the black masses, the number of whites who are feeling the pinch is growing. The scope for racial reform is thus restricted, for the considerable cost would have to be borne by whites who are now even less inclined to accept compromises that would be an additional threat to their livelihoods.

—New Zürcher Zeitung (Zurich).

FROM OUR APRIL 8 PAGES, 75 AND 50 YEARS AGO

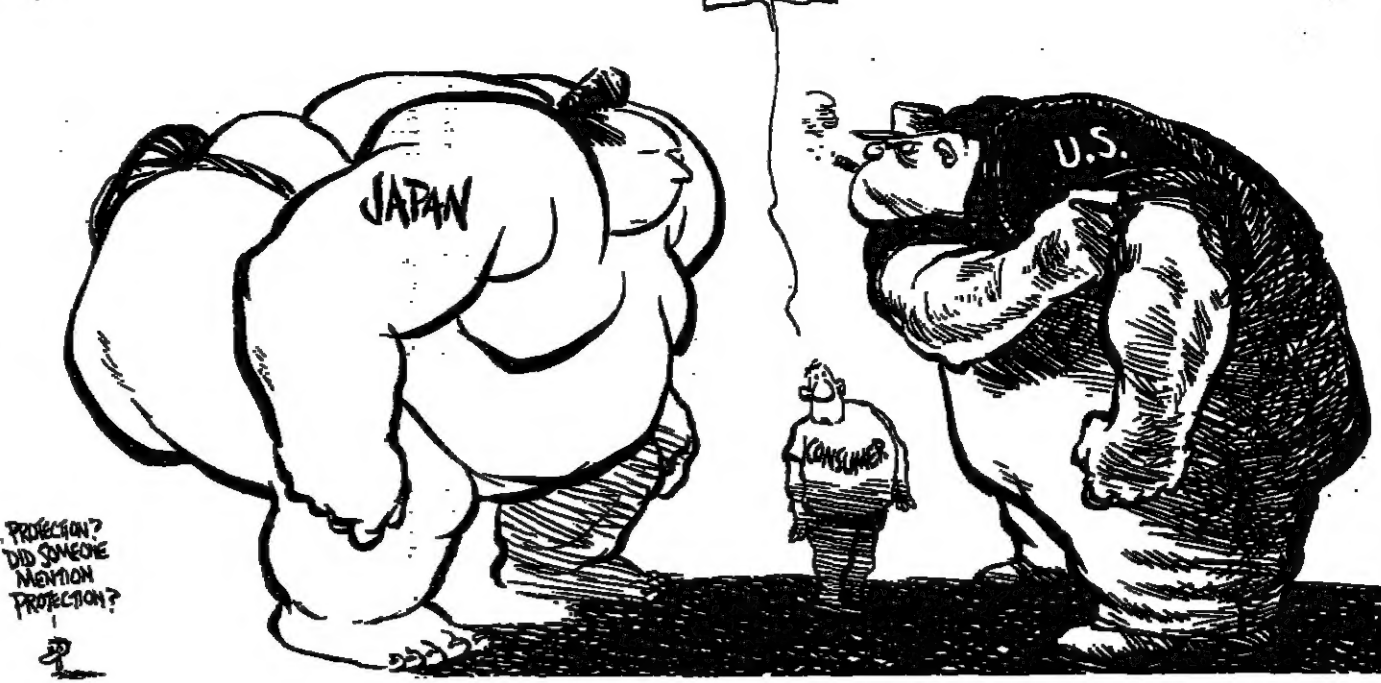
1910: China Cuts London From Tour
PEKING—Coinciding with the departure of Prince Tsai Tao and a military mission from Yokohama for San Francisco, the announcement is made that the Prince will not visit England. Great Britain had notified China that the prince would not be welcomed there unless China agreed to meet British demands on certain pending claims cases. This demand was regarded in diplomatic circles as tantamount to an insult, and the Imperial family met it by promptly cutting England from the itinerary. The Chinese construe the cordial welcome which had been given to Duke Tsai Hsun in London as inspired solely by a desire to sell warships, while the refusal to welcome Prince Tsai Tao reveals a recognition that Great Britain is unable to compete with America and Germany in army equipment.

1935: Church Bells Silent on Sunday
BERLIN—The difficulties between Evangelicals and Catholics with which Nazi authorities are being faced were revealed in church services [on April 7] of both denominations. Many Protestant churchgoers had the unprecedented experience of church bells being kept silent and candles on altars unlit. The services were directed against what was termed a new mysticism preached by certain Nazi "false prophets." The passive demonstration of muted bells and dark altars was given by pastors who are opposed to Reichsbishop Ludwig Mueller's church regime and who have been banned as the Confessional Synod of Prussia against the arrest of many of their colleagues. A new arrest was reported of a pastor who was preparing his Sunday sermon. He was released later but forbidden to enter his own church.

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OCEANOGRAPHY, FREE SUBSCRIPTION

CHARTER



Japan, Canada, Europe, Taiwan, OPEC, Mexico

By Hobart Rowen

WASHINGTON—The United States has a trade deficit problem with the world, not just with Japan. In part stimulated by a faulty economic policy that allows budget deficits in the \$200-billion range, it imported \$123 billion more than it exported last year—a \$54-billion increase over the \$69-billion deficit in 1983.

The huge trade deficit has caused a horrendous current account deficit of more than \$100 billion, transforming the United States from a net creditor country into a net debtor.

Virtually all the increase in the U.S. trade deficit last year (\$30 billion) is traceable to a surge in imported manufactured goods, much of it caused by an overvalued dollar that made imports cheaper and exports less competitive.

On top of its \$37-billion deficit with Japan, America had deficits of \$20 billion with Canada, \$17 billion with Western Europe, \$11 billion with Taiwan, \$14 billion with OPEC members, \$6 billion with Mexico and \$4 billion with South Korea. So the first problem is global. Washington must cope with it globally rather than pretend that all will be well if Japan imports more.

A second problem is the restricted nature of access to the Japanese market. But this, as Lawrence Krause, an Asia expert at the Brookings Institution, points out, is a problem for the whole world—not only for the United States but for European and various Asian nations that have been frustrated in their efforts to break into the second-most-important economy in the world.

Undersecretary of Commerce Lionel Oliver has been leading the current round of negotiations with Japan. He explained the other day why

access to Japan's telecommunications market is considered the "litmus test" of its willingness to cooperate—even though free access would add up to just a small part of the total trade.

"It's a watershed issue because we believe we're predominant in the world in that technology," Mr. Oliver said. "We can sell our products anywhere in the world on a fair, competitive basis, and we want that opportunity in Japan because we need access to the world's second-largest market to sustain that competitiveness."

Sir Roy Denman, head of the European Community's delegation in Washington, pointed out recently that Japanese imports of manufactured goods from the rest of the world have remained constant since 1960 at about 2.5 percent of GNP—less than half of the American-European ratio. "In fact, imports into Japan are mostly imports of raw materials or food that they cannot get from inside Japan," he said.

In an interview, Mr. Krause said total Japanese imports in constant dollar terms of all goods and services were less last year than in 1973, as a percentage of GNP—13.1 percent compared to 14.2 percent. By contrast, Japan's exports as a share of GNP bulged in the period from 11.3 to 20.6 percent, "which means that Japan was putting tremendous pressures on the rest of the world by expanding its market shares."

So despite 44 "packages" to open up the Japanese market since 1973, foreign penetration has been small. Who is to blame? Says the West

German economics minister, Martin Bangemann: "You can't blame the Japanese government for decisions of the market there. Some of the products [Westerners] make are not fitting for the Japanese market." He warns that an attempt by the U.S. Congress to punish Japan with bilateral retaliation will backfire "and endanger the whole multilateral trading system."

Adds New York economist Henry Kaufman, just back from a trip to Japan: "The question is, how well are we ready to do business in Japan today? More of us must learn how to speak Japanese, learn their styles and their ways. We've got to make a commitment in time and effort far beyond what we've ever done."

But it is not just the foreigners' fault. Japan has done a masterful job of throwing up roadblocks, protecting infant industries and using every known bureaucratic device possible to limit the purchase of foreign goods.

The danger is that in its frustration with the trade deficit—really, with the Reagan administration's economic policies as well as with Japan—Congress will act emotionally.

"It's a big mistake to think that if we act tough, the Japanese will act rationally," Mr. Krause said. "If you think emotions run high here, you should measure the emotions there. The trade tensions story is Topic A in the newspapers and on television. The main theme is that 'America demands more from Japan.' Emotion usually turns the Japanese inward. That's not good for the rest of the world—it wasn't good in the '30s and it won't be good in the '80s."

The Washington Post.

Peres Needs Discreet American Pressure on Israel

By David Shabam

NEW YORK—One often hears that Israel is divided into two major blocs that neutralize each other—one favoring and one opposing withdrawal from the occupied territories in accordance with UN Security Council Resolution 242. One also hears that no Israeli leader can defy a growing majority opposed to territorial concessions in the West Bank and Gaza, and the any attempt toward peace would therefore be futile. So, the argument goes, why try?

In fact this is quite wrong. To begin with, the Israeli public is no less prepared now than ever before to accept a compromise leading to peace. Israelis are in fact divided in three camps. Certainly, at the two extremes there are ideologically committed blocs: One remains adamantly opposed to any withdrawal and is ready to risk an indefinite state of war; the other is prepared to exchange virtually all the territories for a peaceful settlement. Yet neither of these constitutes more than 15 to 20 percent of the population.

The remaining 60 percent are somewhere in the middle. Those centrists feel that Israel should retain control over as much of the territories as it can but return as much of them as it must. The key words there, "can" and "must," point to the difference between the world of wishes and the world of reality.

Above all the centrists bloc is pragmatic. It aspires to Israeli strength and greatness, but it realizes that not all wishes can be fulfilled, that there are limits to power, that compromise is sometimes unavoidable. Whether these centrists learn to distinguish between the desirable and the possible will depend on Israel's leaders.

Were the government to give the public a feeling that Israel can hold on to the occupied territories unchallenged, it would be indicating to the people that their wishes are realizable. Were it to introduce a concrete withdrawal plan, it would demonstrate that the centrists bloc must forgo some of those wishes. The majority would follow either lead.

The history of the last decade or so clearly supports this. Most opinion polls have shown that the majority of Israelis do not favor withdrawal as an incentive for a peace settlement. Yet, over the years, major withdrawal agreements have had overwhelming public support. Why the discrepancy? Polls measure preferences in hypothetical situations, not actual behavior in concrete situations.

In January 1974, for example, 80

percent of Israelis polled objected to the notion that withdrawing from Sinai could bring peace. Two weeks later, 62 percent supported the disengagement agreement with Egypt, which entailed a partial withdrawal from Sinai. By 1977, Menachem Begin, then prime minister, won the support of an unprecedented 82 percent of Israelis for the Camp David accords, which called for a complete withdrawal from Sinai and the removal of all Israeli settlements.

What tipped the balance? The forthcoming Egyptian recognition of Israel helped considerably to convince the public to support the agreement. But Mr. Begin's major argument in its favor was that American pressure would ensue if Israel refrained from signing.

Clearly, then, even if Israeli leaders are willing and ready to supply the necessary guidance to the public, they still need tangible proof of both Arab acceptance and outside pressure in order to convince the hesitant majority that concession is unavoidable. Without either ingredient the peace process cannot move forward.

The situation in Israel is further complicated by the existence of a coalition government, part of which is aligned with the small hard-line constituency that opposes change. But there should be no doubt about Prime Minister Shimon Peres's readiness to supply the necessary leadership. Not only does he wish to create a new momentum for peace, but his whole political future depends on it.

His interests are reinforced by what seems to be growing realism among the Palestinians. He also has support—some open and some implicit—from several crucial Arab states. Finally, he has a time limit—September 1986, when the Likud leader, Yitzhak Shamir, is to become the prime minister of the coalition government—and this can only prod him to move toward peace.

What stands in Mr. Peres's way? The other vital ingredient—the creative, energetic and persuasive involvement of the United States—has been missing. America is the only major power that can help Mr. Peres in his effort. As a proven friend, it could apply discreet pressure on Israel's leaders and at the same time provide ample incentives to the Arabs.

When it stands aside, America helps to perpetuate the deadlock. It pays lip service to the search for peace, encouraging the parties directly involved to enter into "direct negotiations," yet such talks could bear no fruit without active outside involvement. Meanwhile, American inaction encourages the rejectionist fronts in both the Arab world and Israel.

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The writer, an Israeli journalist, is executive director of the Tel Aviv-based International Center for Peace in the Middle East. He contributed this comment to *The New York Times*.

The Politics Of Italians Are Shifting

By Adolfo Battaglia

The writer leads the Republican group in Italy's Chamber of Deputies.

ROME—Italy enjoys a wide audience abroad for its fashions and wines. Has comparable attention been paid, by Americans in particular, to Italy's new politics? Will foreign friends be prepared to read May's regional and local election results in the light of an electoral trend that stems from a deep transformation in postwar Italian society?

One sign of change has been the emergence, for the first time since World War II, of the so-called minor parties—Republicans and Socialists, around whom orbit the Liberals and the Social Democrats. These are intermediate parties between two poles—the Christian Democrats and the Communists, both mass parties.

The emergence of the intermediate forces means a shift from an ideological to a pragmatic approach—a shift being driven by the underlying societal change that has seen a reduction in the electoral strength of the Christian Democrats and the Communists.

This means that in the coming years a strengthened Italy is likely to play a more dynamic role in European unity, Western defense and Mediterranean stability.

The decline of the old politics has been especially evident since 1981. The Christian Democrats have held the prime minister's office for only eight months, under Amintore Fanfani; the Republicans for 17 months under Giovanni Spadolini, now the defense minister; and the Socialists for 20 months under Bettino Craxi. For 37 months, intermediate parties have headed the government.

The new trend emerged after the 1976 parliamentary elections, when the intermediate parties won 17.2 percent of the vote and the Christian Democrats and Communists together 73 percent. In the 1979 elections the four parties edged upward to 18.5 percent; the two major parties dropped to 68.5 percent. In 1983 the intermediate parties again rose, reaching 23.3 percent, and the two major parties declined to 64.6 percent.

Second, secularization took hold. In a nation in which the Roman Catholic Church is enormously influential, divorce and abortion, whatever we may think of them, became legal in the '70s after nearly a century of political struggle—decisions confirmed by overwhelming majorities in successive referendums.

The third wave—movement toward a post-industrial society—was galvanized by the need to solve problems generated by the oil price shocks of 1973 and 1977. One sign of the new times is the increasing maturity of labor unions, especially evident in 1984 in the dramatic reduction in hours lost through strikes.

Of course, underdevelopment remains the economic problem. But overall the emerging Italy is closer to the rest of Europe and the West, as is evident in headway against the Mafia, steps toward long overdue tax reform and movement toward constitutional change aimed at streamlining government operations.

An understanding of why parties long deemed minor hold the reins, and why they are crucial to Italy's democratic growth and international position, will help avoid misunderstandings and tensions with these growing political forces.

The New York Times.

LETTERS TO THE EDITOR

'Right' Is the Wrong Way

Recent Arab peace feelers have elicited rural references by press and politicians to the PLO's refusal to recognize explicitly "Israel's right to exist." The refusal is cited as sufficient grounds for avoiding talks.

This approach is not reasonable. It is a major obstacle to peace. The word "right" has unavoidable moral connotations. Few would argue today that the Zionist settlers of North America, South Africa and Australasia had any moral "right" to conquer and colonize the lands of their choice and to dispossess, disperse and, to varying degrees, destroy their indigenous populations.

Such things happen. But there is a profound distinction between asking the dispossessed to acknowledge the new reality as a fact and demanding that they acknowledge the "rightness" of it. At issue is an avowal by the losers that they were not just outgunned but inherently unworthy of basic human rights—in effect, somehow less than fully human.

Furthermore, formal recognition is the sole significant card in the Palestinians' hand. Their strength is a moral one: the acceptance by most of the world that the continuing dispossession and dispersal of the Palestinian people—often justified in Western minds in the context of restitution for grave injustices inflicted on Jewish Europeans by Christian Europeans

—are grave injustices in their own right, arguably the gravest inflicted on one people by another since World War II. From this acceptance flows the widespread nonrecognition of Israel by non-Western nations that have experienced colonization.

It is vindictive to require the self-humiliation of a people who have little left but their pride. It is unrealistic to expect the Palestinians to yield what little leverage they possess before negotiations even begin. It is counterproductive to the cause of peace to demand from the Palestinians the one thing they cannot give.

"Right" is the wrong word here. On a human level, talking constitutes mutual recognition. Let's get started.

JOHN V. WHITEHEAD, Paris.

A Civil War Precedent

Regarding the opinion column "Foreign Policy: Set Your Own, Just 33" (March 28) by Ellen Goodman:

That the writer opposes private anti-Communist efforts in Nicaragua is clear. What is less clear is whether it is anti-Communist per se or the non-official nature of these efforts that bothers her. If the latter, I look forward to a Goodman column retroactively attacking the private, non-official anti-Franco efforts of the Abraham Lincoln Brigade in the '30s.

JACK JOLIS, "Atlanta."

By Henry A. Kissinger

Vietnam: A Noble Goal but a Flawed Strategy

THE 10th anniversary of the fall of Saigon is upon us. The pain of the day will not go away, nor will the memory of the wartime casualties, American and Indochinese, and the massacre of millions that followed the collapse.

Vietnam ended America's innocence in international affairs. It was the first war in which its involvement was not triggered by overt aggression of organized units across a clearly demarcated line. It was the first war in which some sort of military outcome did not precede negotiations. It was the first war witnessed in the living rooms of America. It was the first war in which prominent Americans opposed their country's policy during highly publicized visits to the enemy's capital.

In the process, Vietnam turned into a tragedy in four acts.

ACT 1: The Flawed Assumption. In his inaugural address, President John F. Kennedy announced that the United States would "support any friend, oppose any foe to assure the survival and success of liberty." No one challenged that sweeping commitment or the proposition that Indochina was a key outpost in the defense of liberty. Within six weeks marines were sent to Thailand; a year later 16,000 U.S. military personnel were assigned as "advisers" to help South Vietnam resist Hanoi-led guerrillas. Hanoi was regarded as the cutting edge of Chinese-Soviet global strategy. In retrospect, we know that Hanoi was working for its own account; in fact, it cleverly exploited the split between Beijing and Moscow of which Washington was as yet unaware.

The commitment of thousands of advisers put U.S. global prestige at stake; yet the commitment was not enough to be decisive. Throughout its Indochina involvement, the United States never solved the relationship between means and ends or even adequately defined its ends.

The ultimate political goal of the United States was noble: to enable a distant people to resist tyranny. On the other hand, the so-called free countries of Indochina, while far less oppressive than North Vietnam, were hardly democracies. Guerrilla wars are rarely pristine. The pace of guerrilla war and the pace of reform are different: bringing about democracy in a developing country requires a decade or more; destruction and chaos can be produced in weeks.

Refusal to face this reality caused the Kennedy administration to encourage — to put it mildly — the overthrow of South Vietnam's authoritarian ruler, Ngo Dinh Diem, in 1963. The collapse of civil government was the watershed leading to two fateful decisions: it committed the United States to sustain the junta that replaced Mr. Diem and it tempted Hanoi to commit its regular forces.

ACT 2: The Ambivalent Strategy. President Lyndon B. Johnson felt obliged to carry out the logic of his inheritance; the cabinet left over from the Kennedy administration urged him on. An expeditionary force of over half a million U.S. combat troops was sent as far from American soil as our globe permits, but the United States lacked a strategy for bringing it home. The United States historically has sought to use its vast resources for a strategy of attrition; attrition, however, cannot work against guerrillas that defend no territory and are able to choose their own time for combat. In Indochina, moreover, they were operating from sanctuaries in all neighboring countries and were fought by the fashionable theory of gradual escalation designed to create pauses that would encourage compromise. In fact, gradual escalation convinced Hanoi that the United States lacked resolve.

As the war dragged on, demands for a political solution mounted. But they were bedeviled by the traditional American tendency to treat power and diplomacy as separate. It became a commonplace that North Vietnam would not negotiate — indeed could not be asked to negotiate — while its territory was being bombed, never mind the North Vietnamese troops illegally invading Laos, Cambodia and South Vietnam. President Johnson finally overcame his instinctive doubt and agreed to a bombing halt shortly before the 1968 election. In Korea the decision to end offensive operations after negotiations had started was responsible for 60 percent of U.S. casualties; in Vietnam the bombing halt — which I supported at the time — surely deepened the stalemate.

In the process, bipartisan support for foreign policy evaporated. Between 1963 and the end of 1966, media, public and congressional support had been nearly universal. The few opponents relied on methods of traditional American democratic debate.

But by late 1966 the war became a rallying point for heretofore fringe groups seeking a radical transformation of society. For them, Vietnam was not a painful geopolitical dilemma from which to extricate America

with honor; they preferred a calamitous outcome that would discredit the hated Establishment. Convinced that only a visible humiliation could curb America's penchant for foreign adventures, they mocked appeals to American credibility. And those who had taken the United States into the war were so demoralized that once out of office they were either silent or encouraged the extremists.

Too often, the media became unwitting collaborators. It was easy to record the horrors of modern warfare, much more difficult to distinguish between what was inherent in modern weaponry and what represented deliberate cruelty. Similarly, it was fairly simple to construct the vaunted credibility gap by reiterating the difference between governmental statements and what in fact happened.

A fairer analysis would have sought to determine what was due to genuine confusion and what was actual misrepresentation. In the process Hanoi learned that it could use the media to foster the

This is the ninth in a series of 10 articles by the former U.S. secretary of state. The last is to appear May 5.

illusion that the search for peace was like a detective story in which the North Vietnamese would throw out ambiguous clues and the administration had to guess at the answer. Thus, the diplomatic impasse was ascribed not to Hanoi's aggression but to a series of lost American opportunities.

ACT 3: The Painful Exodus. No one familiar with Richard M. Nixon's career could have believed that his campaign promise to end the war could mean simple abdication. On the contrary, it was surprising that a president, elected by a conservative constituency, went to such lengths to placate the liberal critics — adopting in effect the peace program rejected by the Democratic Convention in 1968. But in the prevailing atmosphere of radicalization, every concession elicited further demands culminating in pressures to withdraw unilaterally and to overthrow the government of America's ally.

Mr. Nixon was convinced that it was immoral and dangerous for America to extricate itself by simply abandoning millions who had fought with it in reliance on its word. He undertook to salvage America's honor as he saw it by a tour de force: phased troop withdrawals to placate the protesters, private negotiations, sporadic pressures on North Vietnam and major assistance to South Vietnam. Domestic pressures forced Mr. Nixon into compromises that often canceled themselves out. Every withdrawal encouraged Hanoi and every lunge inflamed the peace movement.

In the end, a president cannot conduct a war amid such passions by himself. Faced with congressional resolutions that progressively edged toward unilateral withdrawal, violent demonstrations and the hostility of the media, Mr. Nixon should have gone to Congress early in his term, outlined his strategy, and demanded an endorsement. Failing that, he should have liquidated the war. Mr. Nixon rejected such advice because he felt that history would never forgive the appalling consequences of what he considered an abdication of executive responsibility. It was an honorable, indeed a highly moral, decision.

Despite all obstacles, Mr. Nixon came heartbreakingly close to success. By the end of 1972, his administration had forced Hanoi to accept two irreducible conditions: The United States would not end the war by overthrowing an allied government; nor would it forgo the right to assist peoples that had fought valiantly at its side. What destroyed these prospects was the collapse of executive authority due to Watergate after the Paris accords were signed in 1973.

ACT 4: The Post-1973 Period. The apostles of America's inherent inquiry have propagated the canard that all the Nixon administration sought was a fig leaf for South Vietnam's inevitable collapse. This is untrue and unworthy. To be sure, there were terms that one would have preferred to improve, but the Nixon administration believed it had achieved an acceptable settlement — all the more so as the alternative was a congressional cutoff of funds leading to a total collapse.

We were not naive about Hanoi's goals but we saw several elements of enforcement: continuing aid to enable the South Vietnamese Army to handle low-level violations; the threat of American retaliation against massive, cross-border violations; the restraining influence of Moscow and Beijing, which had growing stakes in their relations with the United States; and an offer of American aid to Hanoi if it chose to rebuild the North instead of conquering the South.

But the peace accords did not end the fevered Vietnam debate, now reinforced by Watergate. The

rewards and penalties so painfully assembled were systematically dismantled. Despite immediate and flagrant North Vietnamese violations, Congress voted in June 1973 to prohibit any American military action "in, over or near" Indochina. It cut appropriations to Vietnam by 30 percent in 1973 and by another 50 percent in 1974. It put a paltry ceiling on aid to Cambodia, prohibiting any American advisers and even the transfer of American equipment from nearby Asian allies. It launched an assault on détente at a time of maximum weakness of the executive branch.

President Nguyen Van Thieu panicked when it became clear that he would not receive the supplementary appropriation he had been promised for 1975. And Hanoi decided to throw the dice after having occupied a provincial capital, demonstrating that not even the grossest violation would be met by U.S. retaliation.

We shall never know whether South Vietnam could have held out with a more generous and resolute American policy. But that is not the point. The United States owed the peoples of Indochina a decent opportunity for survival; its domestic divisions made it impossible for the United States to pay this debt.

What is one to learn from this sequence of events? Guerrilla wars are best avoided by pre-emption, by generous programs of assistance and reform in countries the United States considers vital. But once a war is in progress, victory cannot be achieved by reform alone.

Before America commits combat troops it should have a clear understanding of the nature of the threat and of realistic objectives. This presupposes two conditions: (a) a bipartisan consensus of what constitutes a vital interest and (b) a recognition that the global balance of power is more likely to be overturned by seemingly marginal increments than in grand assault.

When America commits itself to military action, there is no alternative to achieving the stated objective. Quasins cannot be stilled by halfhearted execution; prolonged stalemate will inevitably sap the will of a democracy.

A democracy cannot conduct a serious foreign policy if the contending factions do not exercise some restraint in their debate.

If Vietnam is to leave any useful legacy, America owes it to itself to make a fair assessment of the lessons of that tragedy. That has not yet occurred.

Radical critics seek to impose a version of history according to which bloodthirsty leaders sustained a war with no purpose except to satisfy twisted psychologies. But the best people of Vietnam, the hundreds of thousands of Vietnamese who are still in concentration camps a decade after Saigon's fall, the poison gas in Laos, the genocide in Cambodia, bear their own



Henry A. Kissinger

witness. To have striven to prevent such horror is no shame.

The right distorts history by simply ignoring Vietnam. Its isolationist wing had always been more comfortable with strident anti-Communist rhetoric than with commitments to fight communism on distant battle fronts. Most neoconservatives in fact belonged to the peace movement after 1973. Hence, in the conservative version of history all frustrations of the 1970s are blamed on détente as if there had been no Vietnam War and no Watergate.

The lapse of a decade should enable America to face its past. As it turned out, the dominoes fell visibly only in Indochina. But the experience of Vietnam is deeply imprinted in the intangibles by which other nations judge America's staying power and even more in the willingness of America to defend its vital interests or even to define them. On the other hand, the Soviet Union after a spurt of expansionism is mired in contradictions. Vietnam, by its singleminded brutality, has turned itself into a pariah.

America failed in Vietnam, but it gave the other nations of Southeast Asia time to deal with their own insurrections. And America's very anguish testified to its moral scruples. Once again, free peoples everywhere look to America for safety and progress. Their greatest fear is not America's involvement in the world but its withdrawal from it. This is why 10 years after the sadness of Saigon's fall, American unity is both its duty and the hope for the world.

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French Overseas Groups Meet on Independence

The Associated Press
MOULE, Guadeloupe — Activists from one French territory and five French overseas departments have called on France to grant them independence.

The appeal was made Saturday at the end of a two-day International Conference of the Last French Colonies, held 18 miles (29 kilometers) east of Pointe-à-Pitre, capital of this French overseas department.

But at present, those favoring independence from France have little political power in Guadeloupe or elsewhere.

The conference host, Claude Makouk of the Popular Union for the Liberation of Guadeloupe, opened the conference on Friday with a call for the United Nations to place all French overseas departments and territories on its colonial list.

France considers overseas departments equal to the 95 French mainland departments.

On Saturday, other representatives from the territory of New Caledonia and five overseas departments followed suit.

Representing the departments were Dr. Mohammed Monjoie of the Democratic Front of Mayotte; Yves François of the National Council of Popular Committees, Martinique; Alain Michel of the French Guiana Workers' Union; Serge Sinamale of the Independence Movement of Réunion; and Roland Thesaurus of the Popular Union for the Liberation of Guadeloupe.

Three of the departments, French Guiana, Martinique and Guadeloupe, are in or border on the Caribbean. Mayotte and Réunion lie off the southeast coast of Africa.

Yann Celes Uregei, minister of foreign affairs for the provisional Kanak government of New Caledonia and a member of the Kanak National Liberation Front, rejected

ed a plan offered by the French government in an attempt to end recent strife in the Pacific islands.

Edgard Pisani, a special French envoy, on Jan. 7 offered New Caledonia political status as an "independence-association," providing the islands jurisdiction over domestic affairs, while France would take care of international matters.

Mr. Uregei rejected Mr. Pisani's plan as "colonial" and called for a Kanak Socialist order. New Caledonia is inhabited by French nationals and Melanesians, or Kanaks.

The Caribbean Revolutionary Alliance issued a statement disavowing responsibility for a bombing in Guadeloupe last month that killed three persons. The clandestine group has claimed responsibility for other bombings on the island in recent years.

Million in U.S. Are Estimated To Have AIDS

The Associated Press
WASHINGTON — A scientist who helped to discover the suspected cause of acquired immune deficiency syndrome, or AIDS, has estimated that more than one million Americans are infected with the AIDS virus and predicted that the disease could reach epidemic proportions in Europe.

Dr. Robert C. Gallo, chief of the tumor cell biology laboratory at the National Cancer Institute, also said in a telephone interview on Saturday that as many as 10 percent to 20 percent of the infected Americans might contract AIDS or some other disease.

"Whether all will die is unclear," he said. "Some might simply have an enlargement of the lymph nodes and go no further."

Beijing Aide Finds Climate Better for Talks With Soviet

The Associated Press

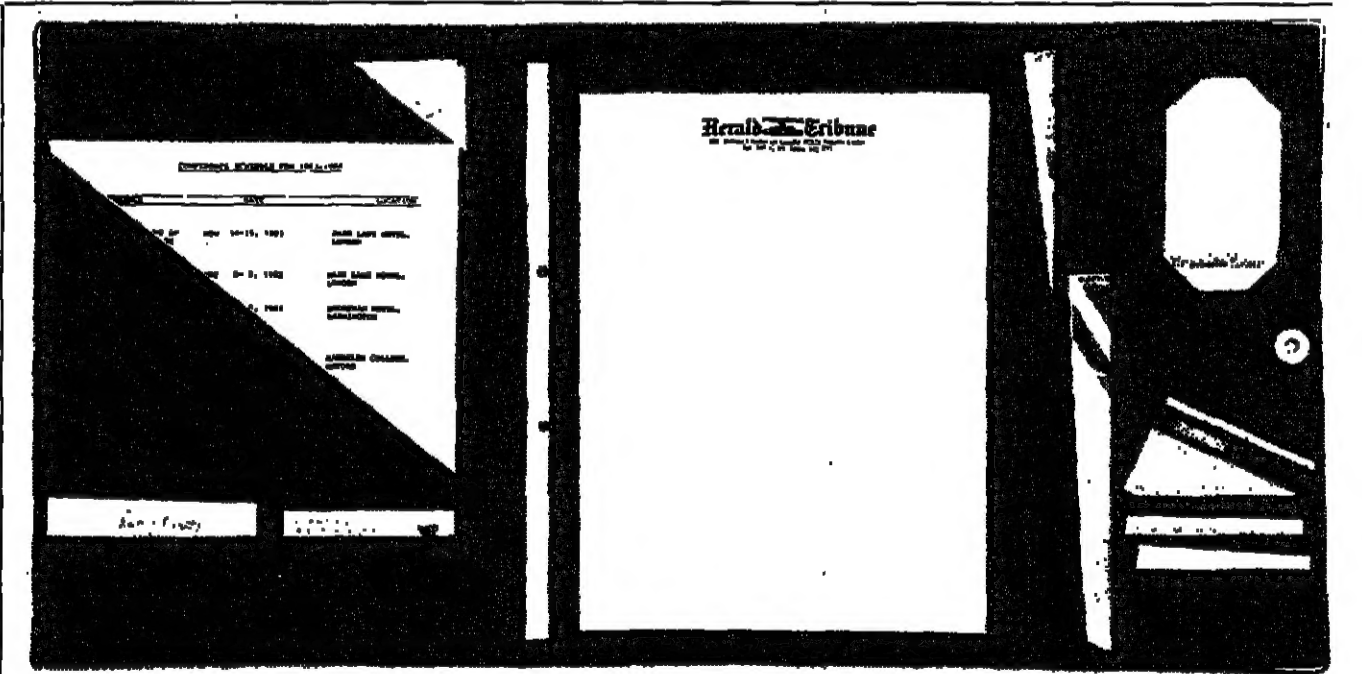
LONDON — A senior Chinese foreign policy adviser said Sunday that the atmosphere has become better for Chinese-Soviet talks that by overhauling an allied government, now would it forgo the right to assist peoples that had fought valiantly at its side. What destroyed these prospects was the collapse of executive authority due to Watergate after the Paris accords were signed in 1973.

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Herald Tribune

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8-4-85

Hawke Weighs Political Risks of Economic Reform

By Steve Lohr
New York Times Service

CANBERRA — Prime Minister Bob Hawke, who completed his second year in office in March, has attracted an unusual gallery of fans for a Labor Party leader.

The Labor Party has traditionally portrayed itself as a party of social reform and wealth redistribution, while serving largely as the political arm of Australia's powerful trade unions.

Yet bankers, business executives and conservative leaders are praising Mr. Hawke, 55, a former trade union chief, for his economic program, which stresses growth and market forces and his foreign policy, which centers on a close alliance with the United States.

The sharpest criticism of the Hawke government comes from the left wing of his party. It favors looser ties with Washington and fears that Mr. Hawke is forsaking the party's traditions. "We're in danger of losing our heart," said Gerry Hand, a Labor member of Parliament.

The mixture of praise and criticism reflects the course that Mr. Hawke has taken in his first term, seizing the middle ground of Australian politics in a nation generally conservative on most issues.

Now, at the beginning of his second term, Mr. Hawke and his senior advisers in the Labor Party's right wing want to open the economy to free competition, to revise

the tax system to increase incentives to work, to reduce tax evasion and to improve industrial relations.

Without these policy changes, some economists warn, Australia could become the "Argentina of the Pacific." Still, the economic benefits from such changes would be uncertain and gradual.

The political risks of reducing protectionism or altering the tax system, which would mean withdrawing favored treatment from some groups, are high.

The Hawke government is thus at a crossroads, deciding between political caution and economic aggression. "This is a very testing time for Hawke," said Greg Lindsay, executive director of the Center for Independent Studies in Sydney, a conservative research group. "For the good of Australia, Hawke has got to aggressively carry forward some of the things he has been trying to do economically. Now we will see if he's up to it."

Two recent political setbacks have raised questions about Mr. Hawke's willingness and ability to win the legislative support necessary for his initiatives.

In the general election last December, the Labor Party's majority in the House of Representatives was reduced and it failed to win control of the Senate. Then, in a reversal widely viewed as a victory for the Labor Party's left wing, a protest within his party forced Mr. Hawke in February to retreat from

a pledge to allow U.S. planes to use Australian bases to monitor an MX missile test.

Asked recently what stood at the top of his agenda for the second term, Mr. Hawke replied without hesitation: "Keep the economic growth of Australia going in a substantial way."

Under the Hawke government, the Australian economy rebounded strongly out of recession, unemployment was trimmed and the inflation rate was halved.

The task now will be to show that the improvement was not just a cyclical recovery but the result of structural changes introduced by the Labor government, such as an accord under which unions have restrained wage demands and business has moderated price increases.

■ **Australia to Share Spy Data.** Australia has agreed to provide New Zealand with more data from its intelligence operations in the South Pacific and Southeast Asia in the first major step to shore up its relations with its neighbor since the cutoff of U.S. defense cooperation and intelligence to New Zealand. The Washington Post reported.

As part of an agreement between

Australia and New Zealand, the armed forces of the two countries will also increase their joint military exercises to compensate New Zealand for the U.S. withdrawal from the annual exercises of ANZUS, the defense alliance that links the three countries, the Australian defense minister, Kim Beazley said last week after returning from a five-day visit to Wellington.

Since New Zealand banned visits to its ports by U.S. nuclear warships in February, the United States has cut off bilateral or multilateral military exercises with New Zealand, restricted the flow of intelligence and limited contacts with New Zealand personnel in consultation and training.

When Washington cut off the flow of intelligence to New Zealand, Mr. Hawke declared publicly that Australia would not pass on U.S. intelligence to New Zealand.

Mr. Beazley repeated that promise last week and said at a press conference in Wellington before returning home that the American caveat on prohibiting U.S.-sourced intelligence from being passed on to New Zealand would be "observed to the letter."

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he Politics of Italians are Shifting

Adolfo Battaglia

ter leads the Republican Party's Chamber of Deputies

ME — Italy enjoys a wide range of political options. Has comparable economic aid, by Americans in particular, to its new political situation. Italy's new political situation is regional and local developments in the light of an election in the postwar Italian society.

sign of change has been in the process, for the first time since World War II, the Italian Republic has been led by a Republican and Social Democratic Party. The Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one. The Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

lectoral strength of the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

means that the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

strengthened Italy's role in the Western defense and in the stability of the old political system. The Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

specially evident since the resignation of the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

Repubblicani (or 11 men), Giovanni Spadolini, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

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new trend emerged after the 1978 elections, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

mediate parties were the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

of the vote and the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

and Communists joined the government. In the 1979 elections, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

edges upward to 11.2 percent, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

the two major parties, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

to 68.5 percent. In 1978, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

23.5 percent, and the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

parties declined to ally with the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

Communists allied with the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

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so has deep roots in the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

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initially agricultural to a minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

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in the style of life, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

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ivorce and abortion, the minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

may think of them as minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

the 70s after nearly a minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

struggle — decisions minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional pragmatic approach to a more ideological one.

overshadowing minister of the Interior, under the Christian Democrats, the dominant party in Italian politics, both men and women, means a shift from the traditional

EUROBONDS

Move to Cut U.S. Deficit
Is Good News to Investors

By CARL GEWIRTZ
International Herald Tribune

PARIS — Drift in the bond markets — as investors clung to the sidelines awaiting some clue as to where interest and foreign exchange rates were headed — evaporated with dramatic suddenness late last week.

The spark was the report from Washington that the Reagan administration and Senate Republicans had agreed on cuts to trim the projected federal budget deficit by about \$300 billion over the next three fiscal years.

The news came too late to affect the Eurobond market, which had already closed for the Easter holiday, but sparked a rally in New York where yields on long-term Treasury bonds dropped 12 basis points and short-term yields slipped 4 basis points. (One hundred basis points equals one percentage point.)

The news also buoyed the dollar, which set a high for the week at 3.18 Deutsche marks before closing at 3.16 DM.

The euphoria was tempered by the fact that the budget still must be approved by Congress. The outcome is by no means certain. In addition, even if the cuts are enacted they may come too late to head off a renewed increase in interest rates. This could result if the pace of the economic expansion heats up and credit demand runs into conflict with the Federal Reserve's monetary policy.

At present, however, the progress on plans to cut the deficit — which bond markets view as putting the greatest upward pressure on interest rates — should be good news for the Eurodollar bond market.

Two aggressively priced issues were launched late last week for Union Pacific and General Reinsurance. Both companies, whose domestic debt is rated double-A, are offering \$100 million of seven-year bonds carrying coupons of 11 1/2 percent.

In contrast to recent Eurodollar offerings, which were priced to yield investors more than comparably dated Treasury paper, the new issues were brought to market at an all-in cost (including front-end commissions) of 10 basis points below Treasury yields.

Eurobond Yields
For Week Ended April 3

U.S. 10-year term, int'l ins.	12.25 %
U.S. 5-year term, int'l ins.	12.25 %
U.S. 3-month term, int'l ins.	12.13 %
U.S. 1-month term, int'l ins.	12.13 %
French 10-year term, int'l ins.	11.82 %
French 5-year term, int'l ins.	11.82 %
French 3-month term, int'l ins.	11.82 %
French 1-month term, int'l ins.	11.82 %
German 10-year term, int'l ins.	11.82 %
German 5-year term, int'l ins.	11.82 %
German 3-month term, int'l ins.	11.82 %
German 1-month term, int'l ins.	11.82 %
Japanese 10-year term, int'l ins.	11.82 %
Japanese 5-year term, int'l ins.	11.82 %
Japanese 3-month term, int'l ins.	11.82 %
Japanese 1-month term, int'l ins.	11.82 %

Market Turnover
For Week Ended April 4
(Units of U.S. Dollars)

Cash	11,856.40	2,417.10	2,539.30
Debt	22,362.30	17,780.40	2,351.70

'Intrapreneuring': A Corporate Can-Do Theory

By Eric N. Berg
New York Times Service

NEW YORK — For years, management gurus have argued that entrepreneurship would be the panacea for the U.S. economy's competitive ills. Now, a theory has come onto the U.S. business scene that, if not questioning the conventional wisdom, certainly casts it in a different light.

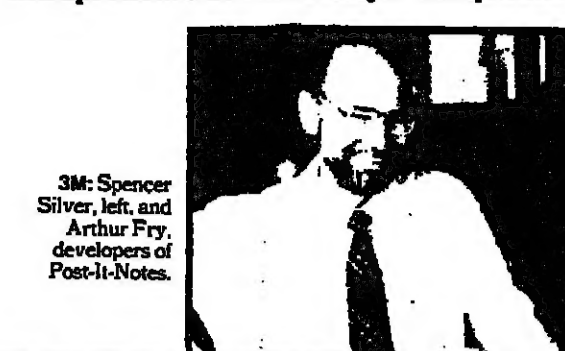
The theory goes by varying terms: corporate entrepreneurship, corporate venturing, "intrapreneuring." But they all convey the same idea: that employees can be entrepreneurs while working for large companies.

The idea appears to be catching on. In December, the president's Commission on Industrial Competitiveness issued a report on entrepreneurship with an entire section devoted to intrapreneuring. Since then, articles speculating on the subject have appeared in the Sloan Management Review and the Harvard Business Review. A number of companies, including International Business Machines Corp. and General Motors Corp., have established small, separate business units to foster intrapreneuring.

Late in February, moreover, a book titled "Intrapreneuring" was published. According to its publisher, Harper & Row, it is already a best-seller in certain major markets.

"Intrapreneuring is hot because entrepreneurship is hot," said R. Donald Gamache, president of Imotech Corp., a Trumbull, Conn., consultant specializing in innovation. Zenas Block, a professor of management at New York University who teaches a course on corporate entrepreneurship, said, "Media publicity given to private entrepreneurship has been considerable, and that has had a

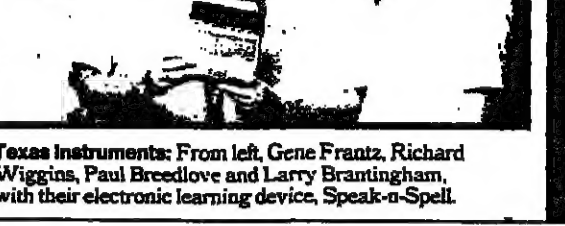
Intrapreneurs at Three Major Companies



3M: Spencer Silver, left, and Arthur Fry, developers of Post-It-Notes.



Hewlett-Packard: Charles H. House, whose video tube was used to monitor a space flight.



Texas Instruments: From left, Gene Frantz, Richard Wiggins, Paul Breedlove and Larry Brantingham, with their electronic learning device, Speak-a-Spell.

major impact on large corporations."

Indeed, the conspicuous success of such entrepreneurs as Steven P. Jobs, chairman of Apple Computer Inc., and William Gates, chairman and chief executive of Microsoft Corp., a computer software company — confirming that you can still strike it rich on your own — has piqued the interest of big companies wanting to be intrapreneurial, too, management specialists say. Intrapreneuring is also getting a welcome car because, the spe-

cialists say, managers are tired of losing their most talented employees to more free-wheeling start-ups. Employees, in turn, see intrapreneuring as a way to inject excitement and urgency into otherwise dull jobs.

"Many people in older-style organizations feel under-recognized and that rewards aren't commensurate with achievement," said Rosabeth Kanter, an authority on organizational change. "The idea that, yes, you can take action inside large companies — that you can run your own show — is very appealing."

(Continued on Page 11, Col. 5)

Study Questions
Reagan Proposal
On Oil Reserves

By Lee A. Daniels
New York Times Service

NEW YORK — A Reagan administration proposal to temporarily delay completion of the Strategic Petroleum Reserve may set back the United States' ability to withstand an oil shortage, according to a study by the General Accounting Office.

The study, which has not been released to the public, is the first independent examination of the possible effects of the proposal to stop filling the reserve when it reaches 489 million barrels at the end of September.

The reserve was begun in the mid-1970s to create a 90-day emergency supply of oil to protect the country against a shortage.

The proposed moratorium was incorporated into the deficit-reduction package agreed to Thursday by the president and the Senate Republican leadership.

The current appropriation for the reserve is \$1.7 billion. The reserve now holds about 466 million barrels and is supposed to reach 750 million by 1990. Of the reserve's six sites, two are full, three are partly filled and one is under construction.

The study by the GAO, the investigative arm of Congress, does not make formal recommendations. It says, though, that "serious consideration" should be given to continuing to build the reserve's storage facilities and instituting an oil-purchase policy that would fluctuate depending on prices.

William A. Vaughn, the Depart-

ment of Energy's assistant secretary for fossil energy, told a House committee last month that a nearly 20-percent decline in petroleum imports since 1977 has reduced the need to follow the original schedule for completing the reserve.

But Representative Mike Synar, Democrat of Oklahoma, chairman of the House Subcommittee on Environment, Energy and Natural Resources, as well as other critics of the administration proposal, challenged that view.

Mr. Synar said the GAO study shows that a moratorium would simply delay spending for the reserve, ultimately making it more expensive to complete.

The study, setting a basic five-year maintenance cost for the reserve at \$828 million, said additional costs for completing the facilities would range from nothing under the Reagan proposal to \$538 million for the completed reserve.

The total cost of a storehouse with 750 million barrels is estimated at \$24 billion; \$16.7 billion has already been spent on the reserve.

California Bank
Forced to Close

Reuters

WASHINGTON — The failure of Capistrano National Bank in San Juan Capistrano, California, has been announced by the Federal Deposit Insurance Corp., which said its liabilities were being assumed by another bank.

FDIC officials said Friday that it was the 22d bank failure in the United States this year and the third in California.

The FDIC said the failed bank's liabilities were being assumed by Farmers & Merchants Bank of Long Beach, California, which took over about \$41 million in 8,900 deposit accounts and other liabilities and agreed to pay the FDIC a purchase premium of \$3.05 million.

Bank of England's Move
Draws Little Reaction

By Carl Gewirtz
International Herald Tribune

PARIS — The initial reaction to the Bank of England's long-awaited move to temper the accelerating growth of underwritten Eurozone facilities last week was a yawn.

The rapid expansion of the market is assumed to be closely linked to the fact that the underwriting

commitments of banks do not show up on their balance sheets (at least not until the underwriters are called on to provide funds) while the fees immediately generate profits which can be used to boost capital and improve the critical capital-to-assets ratio that bank examiners watch.

To slow this "free ride," the Bank of England said that it would assign a weighting to such off-balance-sheet items to assure that a bank's capital was adequate to its commitments. The weighting will be 5, half the weighting given to a straightforward loan to a nonfinancial institution and more than double the 3 weighting given to a loan made to another bank.

This will apply to the worldwide business of British banks and the U.K. operations of foreign banks. The bank also announced it had discussed the move with banking authorities in the other leading financial centers "who are also con-

AT&T Rivals Seek More Competitive Rules

New York Times Service

WASHINGTON — The main rivals of American Telephone & Telegraph Co. have recommended major changes in the process by which Americans select a primary long-distance telephone company.

If enacted across the United States the changes could help smaller companies compete with AT&T.

In filings with the Federal Com-

munications Commission, MCI Telecommunications Corp., GTE Sprint Communications Corp. and Allnet Communications Services Inc. said the current long-distance selection process was unfair. They said it favored AT&T because, in nearly all cases, customers who failed to choose a long-distance carrier were automatically assigned to AT&T.

The exception to the automatic

assignment process is at North-western Bell Telephone Co.

It has begun a program under which customers who do not make a long-distance choice are assigned randomly to long-distance companies in the same proportion as those who did make a choice. AT&T's rivals say they would have a far higher market share if that approach were adopted throughout the United States.

Markets Closed

Most European and Asian financial markets will be closed Monday for Easter Monday. However, Singapore and Tokyo markets will be open, as will North American markets.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes				Money Rates			
United States	Last Wk.	Prev. Wk.	Chg%	United States	Last Wk.	Prev. Wk.	Chg%
DJ Index	1,259.55	1,256.78	+0.22 %	Discount rate	8	8	0 %
DJ 100	153.83	153.01	+0.53 %	Federal funds rate	8 7/16	8 7/16	0 %
DJ 30	99.77	99.08	+0.69 %	Prime rate	18 1/2	18 1/2	0 %
S & P 500	174.65	173.24	+0.81 %	Call money	5	5	0 %
NYS E	179.83	178.64	+0.66 %	60-day interbank	6 1/2	6 1/2	0 %
NYSE	102.71	101.80	+0.90 %	West Germany			
Source: Procter & Gamble Securities				Lombard	6.80	6.80	0 %
				Overnight	5.80	5.80	0 %
				1-month interbank	6.80	6.80	0 %
				Britain			
				Bank base rate	13	13	0 %
				Call money	13	13	0 %
				3-month interbank	13 3/16	13 3/16	0 %
				Dollar			
				Bank Engd Index	N.A.	145.90	— %
				Gold			
				London a.m. fix \$	316.75	329.25	-3.80 %
				Refined gold price from Citibank	316.75	329.25	-3.80 %
				Source: James Canal & Co. Ltd.			

Currency Rates

Latest interbank rates on April 4/5, excluding fees.

Official ratings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates of 4 P.M.

Amsterdam	Brussels	Frankfurt	Milan	Paris	New York
5.561	4.302	11.227	36.97	0.1772	5.561
63.475	74.55	20.125	6.99	3.1923	17.84
1.158	2.804	32.76	1.5073	88.42	4.771
1.1955	3.794	11.589	2.4845	74.75	3.21
2.619.20	2.618.00	637.25	209.16	50.70	31.44
9.255	1.285	3.16	9.435	3.567	63.59
9.255	1.117	3.029	4.893	2.706	13.77
25.475	305.74	80.50	26.37	12.67	71.31
2.675	3.2257	84.775	27.755	0.1331	75.08
1.800	0.7066	0.578	2.2333	4.8225	1.4218
1.800	0.6911	0.5154	2.0954	9.4624	1.7463
					3.4773

Dollar Values

U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504
6.497	1.508	1.504	1.504	1.504	1.504

Continental Gets
London Route

United Press International

WASHINGTON — The U.S. Department of Transportation has approved Continental Airlines to fly a direct route between Houston and London, airline officials said. The airline said Friday it plans to begin daily service April 28, providing it receives the necessary clearances.

It will be Continental's first service to Europe. Continental, with main hubs in Houston and Denver, has expanded its international network to 28 cities. The carrier also has requested authority to fly nonstop between Tokyo and Texas.

Continental filed for protection from creditors under federal bankruptcy laws in 1983 and began a reorganization. The carrier reported a \$30-million profit last year.

'All-Flrills' Regent Air Corp.
Posts Loss of \$4.4 Million

The Associated Press

LOS ANGELES — Regent Air Corp., which bills itself as the "all-flrills" airline, announced losses of \$4.4 million in the fourth quarter and of \$21.5 million for all of 1984.

The Los Angeles-based carrier also said Friday that it expects a loss of about \$3.2 million in this year's first quarter. That would bring Regent's total loss since its

founding 2 1/2 years ago to \$39.1 million.

J. Roger Faherty, Regent's chairman and president, blamed the losses on "a combination of excessive operating costs and of operating at a rate and passenger levels substantially below the break-even level."

Regent's revenue was \$12 million last year. The airline was operating for only about 2 1/2 months of 1983, so comparable revenue figures aren't available.

Regent operates three Boeing 727s that were stripped down and remodeled to carry 34 passengers in luxury, rather than the usual 120 passengers carried by those planes. The Los Angeles-New York flights offer haute cuisine, spacious lounges, six staterooms and private secretaries.

Regent charges \$785 for a one-way flight, slightly higher than normal first-class seats on regular airlines. It is about half of what Regent first charged, but it attracted few customers at the higher prices. Regent has about 15 passengers per flight.

Initially, Regent hired another company to operate its planes because the founders, Clifford and Stuart Perlman, were unable to get an operating license due to allegations that they had links to organized crime.

The Perlman sold last year to Mr. Faherty, a New York investment banker. He got the company out from under the costly charter arrangement, and Regent now flies its own planes under a temporary license.

AN INTERNATIONAL CONFERENCE
ORGANIZED BY
PLANT LOCATION INTERNATIONAL
IN COOPERATION WITH
THE INTERNATIONAL HERALD TRIBUNE
THE INVESTMENT CLIMATE
AND INCENTIVES IN EUROPE

April 25-26, 1985, Brussels

The conference will provide senior executives with an in-depth analysis of the current and future investment climate and the incentives offered in sixteen European countries. Question and answer periods will follow each session.

Thursday, April 25, 1985

Norway: Mr. V. Hveding, Chairman, Christiania Bank Oslo, former Minister of Energy.
Denmark: Mr. M. Ostergaard, Managing Director, Industrial Development Council of North Jutland.
Belgium: Baron A. Bekart, President, Bekart N.V.
The Netherlands: Mr. A.A.M. van Agt, Commissioner of the Queen, Governor of N. Brabant Province, former Prime Minister.
Guest luncheon speaker: Prof. Dr. P. Mathijssen, Director General of The EC Regional Policies.

Austria: Mr. G. I. Gern, General Manager, ICD, former General Manager, General Motors Vienna.
Switzerland: Mr. Carl Meyer, Vice-President Finance, Swiss Asag-SSIH.
Sweden: Mr. K. Lewenhaupt, The Wynn Company AB.
Luxembourg: Mr. Z. Magnus, General Manager, Kredietbank, Luxembourg.
Reception: Hosted by Minister of Brussels, Mr. P. Hatury.

Friday, April 26, 1985

France: Mr. J. Paul Horne, Senior Economist, Smith Barney, Harris Upham & Co.
West Germany: Mr. B. Layton, former President, Ford Europe.
Portugal: Mr. E. Lopez, Minister of Finance.
Spain: Don Leon Benelbas, General Assistant Director of Economic Planning, Ministry of Economics.
Guest luncheon speaker: Mr. W. Martens, Prime Minister of Belgium.

Italy: Dr. Gianni Varasi, President of the Federation of the Chemical Industry, Italy.
Greece: Mr. S. Papadosthion, Deputy Governor, Hellenique Industrial Development Bank.
United Kingdom: Sir Edwin Nixon, President, IBM (U.K.).
Ireland: Mr. L. P. Doyle, General Manager, Allied Irish Banks Limited Europe.

REGISTRATION FORM

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Herald Tribune

New Eurobond Issues

Issuer	Amount (millions)	Mat.	Coup. %	Price	end week	Terms
ROATING RATE NOTES						
Gold Star	\$30	2000	1/4	100	—	Over 6-month Libor. Callable at par after 1988. Redeemable at par in 1988, 1991, 1994, and 1997. Denominations \$10,000. Fees 0.20%.
Italy	\$500	2005	1/16	100	99.65	Over 1-month Libor. Callable at par in 1989. Denominations \$10,000. Fees 0.20%.
Tokai Bank	\$50	1989	1/16	100	—	Over 6-month Libor offered rate for first 3 years, and 1/2 over thereafter. Callable at par in 1989. Floating Rate Certificates of Deposit. Denominations \$1,000,000.
FIXED-COUPON						
General Reinsurance	\$100	1992	11 1/2	100	96.50	Callable at 101 1/2 after 1990.
Mitsui Trust Finance	\$100	1990	11 1/2	100	97.12	Noncallable.
South Africa	\$75	1991	12 1/2	99 1/2	97.25	Noncallable.
Union Pacific	\$100	1992	11 1/2	100	97.75	Callable at 101 1/2 after 1990.
Asian Development Bank	DM200	1997	7 1/2	99 1/2	99.00	Noncallable.
ESCOM	DM200	1993	8 1/2	99 1/2	99.00	Noncallable. Increased from DM150 million.
Pearson & Son	£100	1992	9 1/2	48 1/2	46.00	Noncallable.
ANZ Banking	£100	1992	9 1/2	100	99.25	Noncallable.
Robobank	£100	1995	9 1/2	100	99.12	Noncallable. Increased from £100 million.
Chrysler Credit Canada	CS60	1992	12 1/2	100	97.75	Noncallable.
Hydro-Quebec	CS100	1995	12 1/2	100	97.87	Callable at 101 in 1992.
N.V. Philips	DF100	1990	7 1/2	100	99.50	Noncallable.
ESCOM	SAS50	1990	16	—	98.75	Noncallable.
WARRANTS						
Sony	\$100	1990	open	100	102.00	Each \$5,000 bond with one warrant exercisable into company shares at an anticipated 25% premium. Terms to be set April 9.
EQUITY-LINKED						
Chugoku Marine	\$100	2000	3 1/2	100	—	Semiannually. Callable at 104 in 1988. Convertible at 3/8 yen per share and at 251.25 yen per dollar.
Sumitomo Special Metals	\$50	2000	3	100	—	Semiannually. Callable at 104 in 1988. Convertible at 4,185 yen per share.
Yokogawa Hokushin Electric	DF100	1990	3 1/2	100	—	Semiannually. Callable at 1,340 yen per share.
Fanuc	¥20,000	1995	open	100	99.75	Semiannual coupon indicated at 2%. Callable at 102 after 1990. Convertible at an anticipated 5% premium. Terms to be set April 9.
Nishinbo Industries	¥15,000	1995	open	100	98.00	Semiannual coupon indicated at 2 1/2%. Callable at 102 after 1990. Convertible at an anticipated 5% premium. Terms to be set April 9.
Sekisui House	¥15,000	1995	open	100	98.25	Semiannual coupon indicated at 2 1/2%. Callable at 102 after 1990. Convertible at an anticipated 5% premium. Terms to be set April 11.
Sony	¥30,000	2000	open	100	99.75	Semiannual coupon indicated at 2%. Callable at 104 in 1988. Convertible at an anticipated 5% premium. Terms to be set April 9.

Mood Shifts Play Havoc With Market

By Michael Quint
New York Times Service

NEW YORK — Faced with a host of conflicting economic developments, the credit markets seem vulnerable to continued sudden shifts of mood that may be exciting for traders, but are anathema to many potential investors.

"Concerning near-term economic prospects, market opinion has fluctuated widely in recent weeks," analysts at Aubrey G. Lantson & Co. said in a market newsletter.

The fluctuations have played havoc with interest rate forecasts, since expectations of lower interest

U.S. CREDIT MARKETS

rates stem from signs of a weakening economy, while forecasts for higher rates follow from economic strength.

New Treasury notes and bonds sold in the last week of March are still trading above their average auction prices, but specialists in the government securities market said speculative and investor activity was light last week.

By the time trading stopped late Thursday, yields on government securities were little changed from a week earlier, with three-month bills at 8.11 percent, two-year notes at 10.46 percent, seven-year notes at 11.64 percent, and 30-year bonds at 11.65 percent.

Yields for notes and bonds would have been slightly higher, except for a rally Thursday afternoon following a U.S. budget compromise that could cut more than \$50 billion of the 1986 federal deficit.

Analysts at government securities firms said lower deficits would contribute to lower interest rates, especially for notes and bonds, but added that they needed to learn details of the legislative package to be sure it would result in a \$50-billion reduction in the Treasury's borrowing needs.

Friday's employment statistics were an ambiguous development, despite the surging-than-expected 381,000 increase in non-farm payrolls. The gain, which was coupled with an increase in the hourly work week, was stronger than the 112,000 in February, and led economists to predict healthy increases in personal incomes, retail sales and industrial production this month.

Although the consensus forecast is for continued economic expansion through 1985, some economists see the condition of the manufacturing sector as a glaring weakness that could blight the rest of the economy.

Rather than worry about rapid money supply growth, stronger credit demands and higher interest rates associated with the third year of an economic expansion, they say the credit markets should be preparing for a drop in economic activity and lower interest rates.

Walter J. Williams, president of American Business Economics, said the economy is likely to slump after a recession in 1984, particularly in the goods-producing sector of the economy where numerous industries are being negatively affected by rising imports.

Even if the economy does not fall into a recession and bring on the one-percent-point drop in overnight interest rates and nearly half-a-percent-point drop in Treasury bond yields forecast by Mr. Williams for June, there are other analysts who see enough weakness in the economy to argue against higher rates.

One reason the Fed is unwilling to encourage higher rates, according to Irwin Kellner, chief economist at Manufacturers Hanover Trust Co., is because "doubts still exist regarding the strength of today's economic expansion, particularly in the goods-producing sector of the economy where numerous industries are being negatively affected by rising imports."

U.S. Consumer Rates

For Week Ending April 4

Passbook Savings	5.50 %
Time Deposit	8.25 %
Money Market Funds	8.25 %
Bank Rate (Annual Index)	7.98 %
Home Mortgages	13.70 %
FHLB average	13.70 %

Treasury Bills

Denom.	Rate	Ask	Bid
4 1/2	12.75	12.75	12.75
5 1/2	12.75	12.75	12.75
6 1/2	12.75	12.75	12.75
7 1/2	12.75	12.75	12.75
8 1/2	12.75	12.75	12.75
9 1/2	12.75	12.75	12.75
10 1/2	12.75	12.75	12.75
11 1/2	12.75	12.75	12.75
12 1/2	12.75	12.75	12.75
13 1/2	12.75	12.75	12.75
14 1/2	12.75	12.75	12.75
15 1/2	12.75	12.75	12.75
16 1/2	12.75	12.75	12.75
17 1/2	12.75	12.75	12.75
18 1/2	12.75	12.75	12.75
19 1/2	12.75	12.75	12.75
20 1/2	12.75	12.75	12.75
21 1/2	12.75	12.75	12.75
22 1/2	12.75	12.75	12.75
23 1/2	12.75	12.75	12.75
24 1/2	12.75	12.75	12.75
25 1/2	12.75	12.75	12.75
26 1/2	12.75	12.75	12.75
27 1/2	12.75	12.75	12.75
28 1/2	12.75	12.75	12.75
29 1/2	12.75	12.75	12.75
30 1/2	12.75	12.75	12.75

Gold Options (prices in \$/oz.)

Price	May	Aug	Nov
320	12.00/14.50	—	—
340	12.00/14.50	12.00/14.50	12.00/14.50
360	12.00/14.50	12.00/14.50	12.00/14.50
380	12.00/14.50	12.00/14.50	12.00/14.50
400	12.00/14.50	12.00/14.50	12.00/14.50
420	12.00/14.50	12.00/14.50	12.00/14.50
440	12.00/14.50	12.00/14.50	12.00/14.50
460	12.00/14.50	12.00/14.50	12.00/14.50
480	12.00/14.50	12.00/14.50	12.00/14.50
500	12.00/14.50	12.00/14.50	12.00/14.50

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U.S. Trade Nominee Is a Pragmatic Negotiator

By Steven Greenhouse
New York Times Service

CHICAGO — Ten years ago, the United States was engaged in what was known as the cheese war with the European Community. The United States accused the EC of subsidizing its cheese, and Clayton K. Yeutter, an assistant secretary of agriculture for international affairs, was in charge of negotiating an end to the trading war.

Mr. Yeutter considers that as his finest hour.

"That was the first time in Common Market history that they agreed to withdraw some of their agricultural subsidies," said Mr. Yeutter, nominated last week by President Ronald Reagan to be United States trade representative. "It made some of the Common Market's agricultural ministers very unhappy."

Many of Mr. Yeutter's associates said that the Chicago executive seems to have spent his whole life preparing to be the nation's special trade representative. He currently is president of the Chicago Mercantile Exchange, one of the world's leading futures trading arenas. He served as deputy special trade representative from June 1975 to February 1977.

Before that he helped oversee the rapid expansion of U.S. grain exports as assistant secretary of agriculture in charge of international affairs and commodity programs.

Mr. Yeutter's associates described him as a tough, tireless negotiator and an ideological free-trader with a pragmatic bent.

"He is imbued with principles of free trade but he recognizes the importance of furthering the interests of the United States," said Donald M. Nelson, an assistant special trade representative for agricultural affairs who knows Mr. Yeutter from their days in the Agriculture Department. "That means he won't be doctrinaire, he will be very pragmatic."

Discussing his views on trade at a news conference Wednesday and in an interview in his office overlooking the Chicago River, Mr. Yeutter said: "There's no question that my basic philosophy in trade is 100 percent in line with that of President Reagan. That is, an orientation toward a free and open system, but with a recognition that trade has to be fair."

"There has to be a level playing field out there," he said. "It's important for the U.S. to protect its own interest on trade issues, and that certainly does not put me in the protectionist category."

During his seven years as president of the mercantile exchange, Mr. Yeutter has remained involved in international relations. For instance, he is in the middle of negotiating with the Japanese for the right to use a Tokyo Stock Exchange index for futures and options trading. He also has traveled extensively to Europe to try to persuade investors there to trade Eurodollar futures and other currency futures and options at the Chicago exchange.

The exchange, often called the Merc, is a bustling trading center where people buy and sell contracts on agricultural, currency and interest-rate futures. During Mr. Yeutter's tenure there, its volume has more than tripled, to 44 million contracts last year.

Clayton K. Yeutter (rhymes with writer), who was born Dec. 10, 1930, in Eustis, Nebraska, has come a long way from his childhood in what he described as a 2,500-acre (about 1,017 hectares) "corn and cow" farm. He received his bachelor's degree from the University of Nebraska in 1952 and after spending five years in the Air Force, he returned to run the family farm.

He received a law degree in 1963 from the University of Nebraska and a doctorate in agricultural economics three years later.

"He is an extremely intelligent man," said Michael S. Turner, a professor of agricultural economics at the University of Nebraska who was teaching there when Mr. Yeutter was a graduate student. "I think his most outstanding characteristic is his capacity to work. He just has a phenomenal ability. He is one of a half a dozen people I know who I would put into that category."

Mr. Turner remembers traveling throughout Nebraska with Mr. Yeutter as the recent law graduate explained estate planning and a new state code to farmers. Mr. Yeutter was hired as a professor at the university and later became director of the agricultural and technical assistance program in Bogota, Colombia.

It was at that time, from the fall of 1968 to the fall of 1970, that he



Clayton K. Yeutter, nominated to be U.S. trade representative, at his Chicago Mercantile Exchange office.

not only learned Spanish but also developed an abiding interest in international trade, especially as it relates to agriculture.

With regard to the hottest trade issue of the day, trade relations with Japan, Mr. Yeutter refused to discuss what he might do to relieve the tensions.

"The Japanese relationship is an extremely important one," he said. "In the Western world, that is our most important economic and political relationship by far. The rhetoric certainly has become increasingly harsh, not always without good reason."

"Perhaps the tensions will be defused by actions of other nations" rather than by actions of the office of the trade representative, he said.

Mr. Yeutter is married to the former Jeanne Vierk, who also graduated from the University of Nebraska. They have three sons and a daughter — three are university students and one is a lawyer.

Mr. Yeutter, who colleagues say often works from 7:30 A.M. to 6 P.M., said he had little time for fun. He skis occasionally, and said he tries to walk around Chicago as much as possible for exercise.

Minutes after Mr. Reagan announced that Mr. Yeutter would be nominated as trade representative, Mr. Yeutter telephoned the news to his 88-year-old mother in Nebraska.

"When I called her from the White House, all she wanted to know was how long I'd have to stay in the job," Mr. Yeutter said. "She always wants to know why anyone would want to live in Washington when they could live back home in Nebraska."

Deficit Plans Good News to Investors

(Continued from Page 7)

yielding just under 11.15 percent, bankers estimated the new issue would come to market with a coupon of 11 1/4 percent and would be offered (less the 1 1/4 percent selling commission) to institutional investors at a yield of 11.6 percent.

This is considerably more than is available on paper denominated in Deutsche marks, guilders or European Currency Units and risk of a franc devaluation is seen limited as these currencies are all part of the European monetary system.

Yields on British pound-denominated paper are about comparable to the expected level on the franc, but the pound is a "petro-currency" not linked to the EMS and therefore volatile. The recent heavy volume of pound issues has glutted the market and even the newly inaugurated pound zero-coupon issues have fallen out of favor.

Bankers argue that the tax savings that zero-coupon bonds represent for domestic U.K. investors (which were supposed to be the major selling attraction) do not match the advantages of buying discounted bonds in the gilt market. As a result, the £100 million nominal amount of seven-year zeroes offered by S. Pearson at 48 1/2 percent of par value ended the week at a 2 1/4-percent discount.

Canadian-dollar bonds also car-

ry high yields, but last week's issues from Chrysler Credit Canada and Hydro-Quebec failed to attract support as the terms were unattractive compared with what investors could buy in the domestic market.

Yield levels were obviously a matter of indifference to investors rushing to buy the first European convertible bonds issued by Japanese companies. Sony and Fanuc both sold 15-year bonds which are expected to carry microscopic coupons of 2 percent.

As of April 1, Japanese companies are allowed to issue Euroyen bonds free of withholding tax. Up to now, only foreign issuers have tapped the straight Euroyen market. The Euroyen paper, however, can only be sold to investors in Japan three months after the launch abroad and for them it will not be tax free. Brokers will be expected to withhold 20 percent of the coupon payments for the tax authorities.

The yen will obviously appeal to many Japanese borrowers eager to eliminate the currency risk. But bankers say this does not mean Japanese borrowers will shun other markets. Sony, for example, simultaneously offered \$100 million of straight debt carrying warrants to buy shares at a premium of about 2 1/4 percent over the prevailing

price compared with the 5 percent premium expected on the yen bonds.

In part, bankers said, the currency choice was dictated by the large amount of capital Sony is seeking to raise and in part because the company wanted dollar-denominated liabilities on its balance sheet to neutralize any effect currency changes would have on its dollar assets.

Bankers expect that companies which desire to see a rapid conversion of convertible bonds into shares will continue to tap the Swiss franc or Deutsche mark market (because those private placements lack liquidity, which can only be achieved by buying the shares). The dollar market will continue to attract those companies that are less eager to see conversion and the yen market will appeal most (aside from currency considerations) to those seeking to delay conversion for as long as possible.

Bankers said that the Sony and Fanuc (a major player in the robotics market) offerings were grabbed up by retail clients while institutional buyers went for Nishinbo Industries (textiles) and Sumitomo Special Metals, which are seen as having greater speculative potential if a cyclical recovery gets underway.

Little Reaction to U.K. Bank's Move

(Continued from Page 7)

is now unilaterally imposing to assure the soundness of banking operations in Britain.

The first of these was put into effect last May, when the bank moved to halt what it feared was a dangerous pyramiding of bank capital via the floating-rate-note market where banks are the biggest purchasers of other bank-issued capital notes. The Bank of England said that banks would have to deduct from their own capital base any holdings of another bank's capital notes.

At the time, that move was seen as the death knell of the FRN market. In fact, FRNs last year for the first time exceeded (by about \$1 billion) the volume of fixed-rate straight dollar debt on the Euro-bond market and so far this year the volume of FRNs is running about 33 percent ahead of fixed-rate dollar issues. In short, the business is arranged in London but obviously booked elsewhere as no other regulatory body imposed similar restrictions.

Thus, as matters now stand, the bank's move on underwritten note facilities is not seen as directly driving up the (very low) cost of these transactions.

This is not to say costs will not increase. To the contrary, the experts putting these packages together believe they will. And, ironically, they see the market evolving in exactly the direction the Bank of England would prefer.

(which obliges banks to buy the notes at a fixed maximum cost if no other lower bids are submitted).

But market experts say that few banks supplying the backup lines are bidding aggressively enough to receive paper. The commercial banks then find they have tied up their capital resources for little in return.

The experts see this as ultimately leading to a separation of the note sale from the credit line — in other words, the creation of a true Euro-commercial paper market where the placement of notes will be done on a best-efforts basis by one group of banks and the backup line at full market prices will be provided by another group of banks.

A few such non-underwritten note facilities have already come to the market and many experts believe this is the wave of the future. Meanwhile, the only major operation launched last week was an underwritten note facility of \$600 million for Deere & Co., the world's largest maker of farm equipment machinery. The facility runs for five years and underwriters will earn an annual fee of 15 basis points for the first three years and 17.5 basis for the final two years. (There are 100 basis points in one percentage point.)

The notes, which will be offered for maturities ranging from one to six months, will bear a maximum interest charge of 22.5 basis points over the London interbank offered rate or, if used as a backup for the sale of commercial paper in New York, 22.5 basis points over the New York interbank offered rate.

Deere has the option of setting its own margin on the notes and offering paper to underwriters or asking for bids from a tender panel. The tender panel of senior underwriters (those committing for \$50 million) may also be asked to bid for medium-term notes (one to five years), bearing either fixed or

floating rates of interest and denominated in either dollars or British pounds.

These medium-term notes fall outside the underwriting commitment, meaning banks are under no obligation to bid for or take such paper that would be transferable for sale to others. Theoretically, Deere could issue \$600 million of short-term notes and as many medium-term notes as underwriters were willing to bid for.

Indonesia this week is expected to announce terms it has accepted for a \$400-million, eight-year underwritten facility.

Bangkok Bank, which is arranging a \$75-million, five-year underwritten facility will pay underwriters an annual fee of 1 1/2 percent (6.875 basis points). The certificates of deposit the bank issues will bear a maximum interest charge of 10 basis points over Libor. The bank will pay a commitment fee of 5 basis points for any amounts undrawn and a front-end fee of 10 basis points.

Spain's Autopistas del Atlantico is refinancing \$230 million of existing debt through a new 10-year syndicated bank loan of \$115 million and \$115 million of eight-year FRNs bearing a coupon of 1 1/2 percent over Libor. The FRN is guaranteed by the government while the credit is guaranteed by a government-owned holding company.

Hungary is in the market for a loan co-financed with the World Bank. Commercial banks are being asked to put up \$264 million for eight years with interest set at 1/2 point over Libor. This is much lower than Hungary has previously paid (1 1/4 points over Libor) and much lower than the split 1/2-3/4 point spread that some bankers had expected — a further indication of how hungry banks are for new business.

The World Bank will provide an additional \$36 million for 8 1/2 years.

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Belgium	B.Fr.	7,300	3,650	2,000
Denmark	D.Kr.	1,500	750	410
Finland	F.M.	1,120	560	300
France	F.F.	1,200	600	300
Germany	D.M.	412	206	112
Great Britain	£	82	41	22
Greece	Dr.	12,400	6,200	3,450
Ireland	£ Ir.	104	52	29
Italy	L.	216,000	108,000	59,000
Luxembourg	L.Fr.	7,300	3,650	2,000
Netherlands	Fl.	450	225	124
Norway	N.Kr.	1,160	580	320
Portugal	Esc.	11,200	5,600	3,080
Spain	Ptas.	17,400	8,700	4,800
Sweden	S.Kr.	1,140	580	320
Switzerland	S.Fr.	372	186	102
		\$	284	142

The rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East

Rest of Africa, Canada, Latin America, Gulf States				78
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Sales in	Net
1990-1991	Change

[illegible]

Sales In					Net
100s	High	Low	Close	Ch'ge	

[illegible]

مکتبہ اسلامیہ

American Exchange Options

For the Week Ending April 5, 1985

Option & price	Call	Put	Option & price	Call	Put	Option & price	Call	Put
Apr 5	1.10	1.10	Apr 5	1.10	1.10	Apr 5	1.10	1.10
Apr 12	1.10	1.10	Apr 12	1.10	1.10	Apr 12	1.10	1.10
Apr 19	1.10	1.10	Apr 19	1.10	1.10	Apr 19	1.10	1.10
Apr 26	1.10	1.10	Apr 26	1.10	1.10	Apr 26	1.10	1.10
May 3	1.10	1.10	May 3	1.10	1.10	May 3	1.10	1.10
May 10	1.10	1.10	May 10	1.10	1.10	May 10	1.10	1.10
May 17	1.10	1.10	May 17	1.10	1.10	May 17	1.10	1.10
May 24	1.10	1.10	May 24	1.10	1.10	May 24	1.10	1.10
May 31	1.10	1.10	May 31	1.10	1.10	May 31	1.10	1.10

Option & price	Call	Put	Option & price	Call	Put	Option & price	Call	Put
Apr 5	1.10	1.10	Apr 5	1.10	1.10	Apr 5	1.10	1.10
Apr 12	1.10	1.10	Apr 12	1.10	1.10	Apr 12	1.10	1.10
Apr 19	1.10	1.10	Apr 19	1.10	1.10	Apr 19	1.10	1.10
Apr 26	1.10	1.10	Apr 26	1.10	1.10	Apr 26	1.10	1.10
May 3	1.10	1.10	May 3	1.10	1.10	May 3	1.10	1.10
May 10	1.10	1.10	May 10	1.10	1.10	May 10	1.10	1.10
May 17	1.10	1.10	May 17	1.10	1.10	May 17	1.10	1.10
May 24	1.10	1.10	May 24	1.10	1.10	May 24	1.10	1.10
May 31	1.10	1.10	May 31	1.10	1.10	May 31	1.10	1.10

THE EUROPEAN COMMUNITY

Steel Dispute With U.S. Is Reaching Critical Stage

By Steven J. Dryden

International Herald Tribune

BRUSSELS — The latest dispute between the United States and the European Community over steel could reach a critical point this week.

The United States notified the EC in February that it believed the level of community exports of semirough steel products violated their 1982 carbon steel trade accord.

The agreement provided for a 60-day period of consultations between the United States and the EC. The period ran out Monday and the United States has said it might impose limits on community semirough steel products.

The EC Commission said it would react "vigorously" to any U.S. curbs on steel and is studying a list of U.S. exports, including agricultural products, that could be limited in retaliation.

The EC and the United States have held two meetings on the issue since February without reaching an agreement. A request by the community last week for another meeting has not been answered by Washington.

The United States said the com-

munity boosted sales of semirough steel products to get around limits on other types of steel in the 1982 accord. The agreement does not cover semirough products but provides for consultations if one party believes trade is being diverted to avoid the restrictions.

The EC has rejected the U.S. charge, saying the high value of the dollar and demand from American manufacturers have caused the increased sales.

Bonn Blamed for Delay

On Farm-Price Accord

The failure of community agricultural ministers to agree on farm prices last week will probably delay an accord until at least mid-May, EC officials said.

Normally, the 1985-86 prices should be agreed upon by April 1. West Germany, which has been heavily criticized in the community for its position, was blamed for the breakdown of the meeting, held in Luxembourg.

The West German agriculture minister, Ignaz Kischel, refused to go along with the Commission's recommendation that grain prices be cut by 3.6 percent. Bonn argues

that its farmers' incomes have suffered unfairly compared with others in the community.

France and several other countries criticized West Germany for taking what they said was a contradictory approach to community policies. They said Bonn called for strict overall EC spending limits while seeking exemptions when West German interests were threatened.

Filippo Pandolfi, the Italian farm minister who chairs the agricultural session under the EC's rotating leadership, has not ruled out a vote to overcome the West German objection.

Italian Representative

Is Given a Promotion

While Italy still faces difficulty in arranging an agreement on agriculture, it has a major achievement to its credit: the conclusion of the expansion talks with Spain and Portugal.

Giulio Andreotti, the Italian foreign minister, assisted by the Italian permanent representative in Brussels, Pietro Calamia, conducted the six days of nonstop negotiations that led to an agreement last month, meeting the EC deadline.

Last Wednesday, Mr. Calamia received what his colleagues said was recognition of his efforts: appointment to the rank of full ambassador by the Italian council of ministers. Italy has only 18 full ambassadors in its foreign service.

Mr. Calamia, 55, is on his third tour in Brussels, including one as deputy chief of mission from 1978 to 1980. He then served as Italy's envoy to Yugoslavia before returning to Brussels last year.

Delors Cautions Japan

On Trade-Barrier Moves

The Commission president, Jacques Delors, has told Japanese Prime Minister Yasuhiro Nakasone of Japan that the EC should not be left out of coming Japanese trade liberalization moves.

In a message to Mr. Nakasone, Mr. Delors emphasized the community's interest in seeing Japanese administrative procedures and import rules simplified, as well as increased Japanese purchases of EC products.

Mr. Delors said the EC would not accept new Japanese trade policies that only benefited the United States.

Mutual Funds

Closing Prices April 5, 1985

NEW YORK (AP) —	Bid	Ask
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20
Amalgamated	10.10	10.20

Chicago Exchange Options

For the Week Ending April 5, 1985

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May 24	1.10	1.10	May 24	1.10	1.10	May 24	1.10	1.10
May 31	1.10	1.10	May 31	1.10	1.10	May 31	1.10	1.10

Chemical's Ohio Bid 'Makes Sense'

The Associated Press

NEW YORK — Chemical New York Corp., which signed a letter of intent Friday to acquire the business of a closed Ohio thrift, is known as a leading lender to middle-sized businesses.

As a result, analysts said, they were not surprised by the interest which the U.S.'s sixth-largest banking company exhibited in the possibility of making an acquisition in Ohio, where middle-sized businesses are abundant.

Fred Wighman, who follows the banking industry for Duff & Phelps Inc. in Chicago, said Chemical had demonstrated "a real talent" for cultivating retail and "middle-market" business through its principal subsidiary, Chemical Bank.

"Their long-term strategy calls for applying such expertise in other parts of the country. The national expansion motive is evident here," he said.

Lawrence Cohn, a banking analyst for the securities firm of Dean Witter, Reynolds Inc. in New York, said: "This makes tremendous sense. Ohio is a block with those kinds of companies."

Mr. Cohn made his comments earlier this week after it had become rumored that Chemical may

Mitsubishi Says

It May Buy Gear From IBM Unit

The Associated Press

TOKYO — Mitsubishi Electric Corp. said it was considering purchasing telecommunications equipment from Rolm Corp. of Santa Clara, California, and marketing it in Japan.

Mitsubishi, which made the announcement Friday, said it has not reached a final decision on purchasing digital private branch exchanges, or PBXs, from Rolm, a subsidiary of International Business Machines Corp. of Armonk, New York.

But analysts said the purchases would be a way for Mitsubishi Electric to tighten connections with IBM, greatly improving Mitsubishi's position in Japan's telecommunications market.

Since Japan's telecommunications market became liberalized April 1, Toshiba Corp., one of Mitsubishi Electric's competitors, already has begun discussions with American Telephone & Telegraph Co., apparently aimed at cooperation in marketing telecommunications equipment in Japan.

Intrapreneuring: A Corporate Can-Do Theory

(Continued From Page 7)

the highly successful yellow pads with the gentle adhesive, Arthur Fry, a product designer for 3M, wanted a book marker to note pages in a church hymnal, but one that would adhere to the pages without tearing them when removed.

So, using an adhesive already developed by 3M by Spencer Silver, a colleague and taking advantage of a company policy that permits technical personnel to pursue their own ideas for the company 15 percent of the time, Mr. Fry developed a manufacturing process in his basement to produce Post-it Notes.

For his efforts, Mr. Fry was promoted to the post of senior scientist. He also won the Carlton Award — "3M's Nobel Prize," Mr. Fry said.

Similarly, Texas Instruments' successful Speak-N-Spell electronic learning aid was developed by engineers who received financing outside the company's normal funding.

In a variation on intrapreneuring, IBM produced its first personal computer by spinning em-

Escorts & Guides

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

employees to Boca Raton, Florida, giving them their own budget and ignoring long-standing policy of not buying parts from the outside.

And there have been countless other cases of corporate tinkerers who turned hobbies into big businesses for their employers.

"The idea is not new at all," said Howard H. Stevenson, a Harvard Business School professor who has written and lectured on entrepreneurship.

But it is because many companies lag in intrapreneuring that the new book has gained a hearing. Gifford Pinchot 3d, 42, the book's author, is a management consultant in New Haven, Connecticut, who has spent several years promoting intrapreneuring at some of the nation's largest industrial concerns, including Exxon Corp., Du Pont Co., Ford Motor Co. and American Telephone & Telegraph Co.

Since going into national distribution a month ago, his "Intrapreneuring" has sold more than 65,000 copies.

Mr. Pinchot's argument, in short, is that American companies excel at generating ideas but are poor at converting them into business successes. The reasons, he said, in a recent interview, are many.

For example, most large companies want to know beforehand what a new business will earn, which is impossible in the case of truly new ventures, he said. And the "passion" of an innovative idea often gets lost as it moves from product development to manufacturing to marketing, he added. So Mr. Pinchot provides a checklist for managers and employees wanting to be intrapreneurs.

For employees, for instance, Mr. Pinchot offers an "Intrapreneur's Ten Commandments." Among them: "Come to work each day willing to be fired."

Some call that nonsense: "It's simply not a realistic possibility for a significant proportion of the work force working in traditional organizations," Miss Kanter said. "If they went to work each day expecting to get fired, chances are they would."

Managers, by comparison, are urged to end the "home-run philosophy," in which companies favor a few well-planned projects, and to concentrate on developing many small, experimental businesses. They are also encouraged to give

Escorts & Guides

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(Continued From Back Page)

employees corporate "slack": the time, money and equipment to tinker.

But the successes aside, intrapreneuring has its problems, and can backfire if not handled wisely. It was partly the intrapreneuring look of lending officers that led many big banks to make large loans in the energy industry in the mid-1970s. Many of those loans have soured with falling oil prices.

Similarly, Bankers Trust Co., which has been trying to be more intrapreneurial by adding investment banking capabilities to its traditional commercial banking skills, has reportedly been struggling with a problem that many companies face: how to compensate its intrapreneurs. By paying investment bankers more, according to sources inside the bank, Bankers Trust has bred resentment among other employees.

For his part, Mr. Pinchot says the problem is surmountable. By intrapreneurs more, but make them incur more risk, such as tying their job security to the success of their projects.

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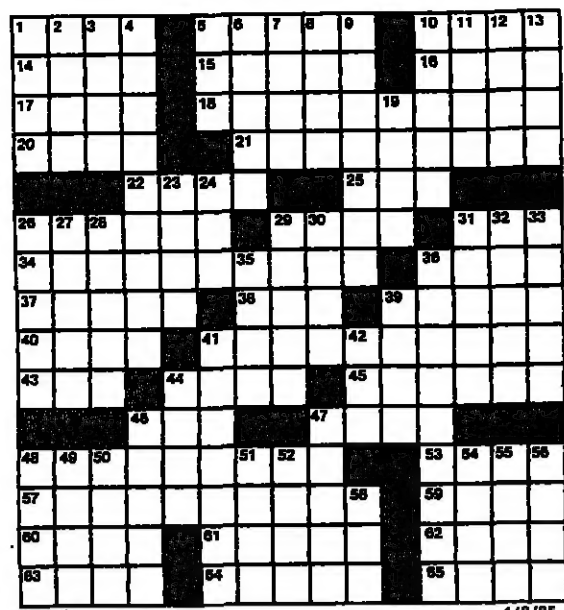
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ACROSS

1... baked in
5 Repaired tire
10 Mop the deck
14 Fizzy drink
18 Color called
19 Part of an oriel
17 Equal
18 Value
20 Puncture
21 Ballet performer
22 Not difficult
25 Pleasure, in Paris
26 Work list
29 Family
31 An arm of HUD
34 Dishonest
36 Epochs
37 Son's cousin
38 Son's sibling
39 Tinted
40 Layer
41 Outline of a figure
42 Peculiar
44 Recess in a church
45 Kind of drama
46 Atmosphere
47 Insect's feeder
48 Star

DOWN

33 Singer Fitzgerald
37 Frauds
39 Bright light at night
60 Sly gaze
61 Choice
62 Jacket or collar
63 Decay
64 Frozen rain
65 Charge

1 Replies in the Nile
2... laureate
3 Brainstorm
4 Bore
5 New Deal
6 Vacant
7 Head, in Milan
8 Quise feeder
9 Promises
10 Part of a tome
11 Woman soldier in 1942
12 Poker term
13 Porter's relative
19 Concern
23 Hebrew month
24 Pouch
26 Famed Italian baritone
27 Extremely cold
28 Over
29 Shiver cotton fabric
30 Marsh plant
31 Worries
32 Creator of Truthful James
33 Property, e.g.
35 Mother of Horus
36 Something startling
39 Obtund or obtuse
41 Elves
42 Wood surrey
44 Is not up to par
46 Venerate
47 Actor Dutilleul
48 Anti's creation
49 Ostrichlike bird
50 Imitator
51... and void
52 Where Perry triumphed
54 Your... Smile Be
55 Pillage
56 Queen or princess
58 Harden

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DENNIS THE MENACE



"If you'll buy me a pony, I'll give up my college education."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LYMIF
DALIP
DORFIL
OPPELE

Answers: GUILF CROAK INNING PSYCHE

Friday's Jumbles: Could be a roundabout way of showing your love—A HUG

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Amsterdam	15	10	Beijing	20	15
Berlin	15	10	Hong Kong	25	20
Bombay	25	20	Manila	25	20
Buenos Aires	25	20	Osaka	25	20
Calcutta	25	20	Seoul	25	20
Cairo	25	20	Tokyo	25	20
Canton	25	20			
Chongqing	25	20			
Cebu	25	20			
Dacca	25	20			
Delhi	25	20			
Hankow	25	20			
Kobe	25	20			
London	15	10			
Lyons	15	10			
Madrid	15	10			
Moscow	15	10			
Paris	15	10			
Peking	25	20			
Rangoon	25	20			
Shanghai	25	20			
Singapore	25	20			
Sourabaya	25	20			
Tientsin	25	20			
Yokohama	25	20			

MIDDLE EAST

Amman 17 12 10
Baghdad 17 12 10
Beirut 17 12 10
Damascus 17 12 10
Jerusalem 17 12 10
Tel Aviv 17 12 10

OCEANIA

Auckland 17 12 10
Sydney 17 12 10
Wellington 17 12 10

MONDAY'S FORECAST — CHICAGO: Partly cloudy, 60-70. NEW YORK: Partly cloudy, 60-70. LOS ANGELES: Partly cloudy, 60-70. PHOENIX: Partly cloudy, 60-70. SAN FRANCISCO: Partly cloudy, 60-70. SEATTLE: Partly cloudy, 60-70. SPOKANE: Partly cloudy, 60-70. WASHINGTON: Partly cloudy, 60-70.

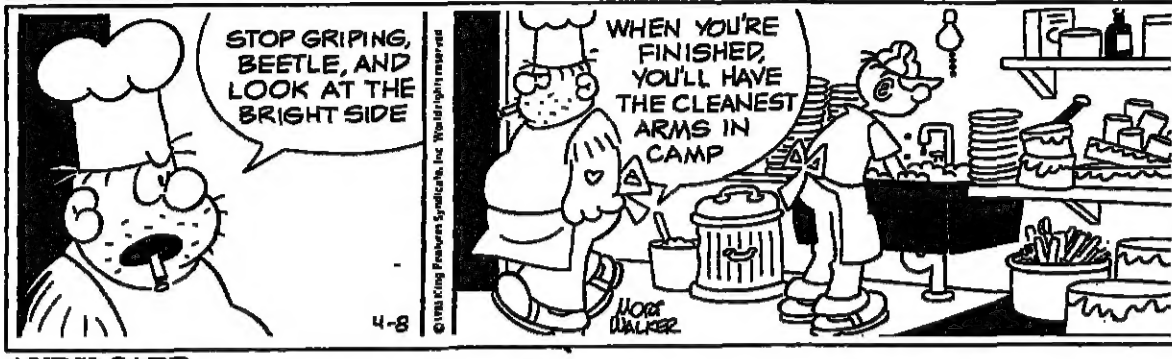
PEANUTS



BLONDIE



BEETLE BAILEY



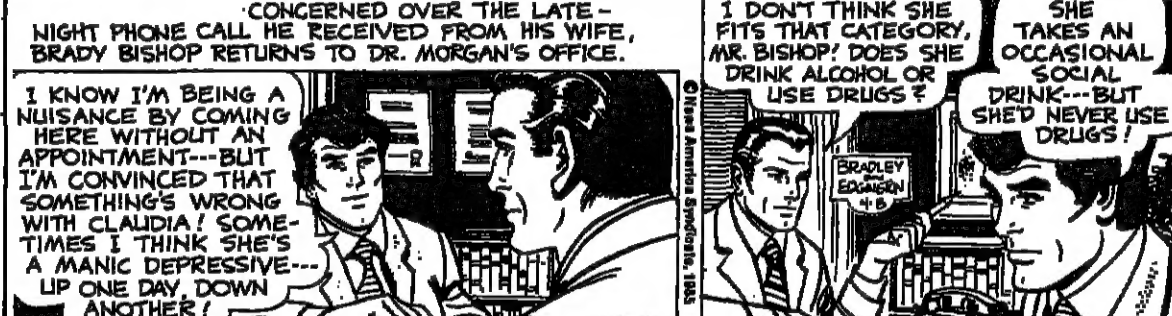
ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



SPORTS BRIEFS

Prost Victor in Formula 1 Season-Opener

RIO DE JANEIRO (UPI) — Frenchman Alain Prost, driving a McLaren, defeated Michele Alboreto to win the season-opening Brazilian Formula One Grand Prix race here Sunday, taking the event for the second consecutive year.

Early leader Keke Rosberg dropped out when the turbo broke on his Williams, and Prost took a solid lead over Alboreto midway through the race. Alboreto, in a Ferrari, finished well ahead of Elio De Angelis (Lotus).

Eternal Prince, Skywalker Win Prep Races

NEW YORK (UPI) — Eternal Prince, at 18-1, was never seriously challenged here Saturday in beating favored Pancho Villa by five lengths to win the one-mile (1.61-kilometer) Gotham Stakes, a stepping stone to the May 4 Kentucky Derby. Meanwhile, in Arcadia, California, Skywalker won by a nose over Fast Account in the mile-and-one-eighth Santa Anita Derby, Southern California's final prep race for the first leg of the Triple Crown.

Eternal Prince clocked one minute, 34 and two-fifths seconds, one second slower than Secretariat's track record, set in 1973.

Moorhouse of U.K. Sets Breaststroke Mark

MANCHESTER (UPI) — Adrian Moorhouse of Britain clocked a world record of one minute, 0.58 seconds in the 100-meter breaststroke at the national short-course (25-meter) swimming championships here Saturday. Moorhouse, fourth in the men's 100-meter breaststroke final at the 1984 Olympics, shaved three-hundredths of a second off the mark set last year by Victor Davis of Canada.

Floyd, Blackmar Greensboro Golf Leaders

GREENSBORO, North Carolina (UPI) — Ray Floyd and PGA newcomer Phil Blackmar were tied at four shots under par Saturday through three rounds of the Greater Greensboro Open golf tournament.

Floyd, a 22-year-old veteran, and Blackmar, who qualified only last fall, compiled 54-hole totals of 212 going into Sunday's final round. Floyd's 66 was the best score of the third round; he carded birdies on seven of his first nine holes and added two more on the back nine. Blackmar had a 68 Saturday.

A 75 tied Bobby Clampett for second at 213 with Peter Jacobsen (a 70) and Dan Pohl (71). Jeff Sluman, who had the lead alone through the first two rounds, fell to 77/214 when his putting faltered.

Ueberroth Lifts Blue's Baseball Suspension

NEW YORK (AP) — Peter Ueberroth has reinstated pitcher Vida Blue, who is in training camp with the San Francisco Giants, the baseball commissioner's office announced late Friday. Blue had been suspended for the 1984 season by Ueberroth's predecessor as commissioner, Bowie Kuhn, as a result of a 1983 conviction for drug possession.

The suspension required that before he was reinstated this year, Blue had to prove he no longer uses drugs and to demonstrate his compliance with a probationary program. Those conditions have been satisfied, Ueberroth's office said.

Blue, 35, compiled a 24-8 record with Oakland in 1971, when he was named the American League's most valuable player and Cy Young Award winner. In 1978, the A's traded him to San Francisco. Four years later, he was traded to the Royals, who released him in August 1983.

BOOKS

A CHANGING ISRAEL

By Peter Grose. 129 pp. Paper \$4.95. Vintage, 201 East 50th Street, New York, N.Y. 10022.

Reviewed by J. Robert Moskine

THE truth is Israel has changed drastically. With the occupation of the West Bank and the Gaza Strip in 1967 and the rise to power of the leaders of the pre-state right wing Irgun and Stern Gang undergrounds 10 years later, the pioneer era is over. It has been succeeded by discordant values, divisiveness, an economy out of control and a million conquered Arabs. Israel has traded a measure of external safety for internal trouble.

In this brief, fact-studded book, Peter Grose, managing editor of the Council on Foreign Relations' magazine, Foreign Affairs, identifies four major changes that bear on Israel's domestic well-being and external relations with the rest of the world. These perceptions of change will be surprising even to those who have been paying attention.

The first change Grose emphasizes is that Israel has become a "fractious society." He is not referring to the familiar split between the Ashkenazi and Sephardi Jews — which he sees as "cultural divisions of the Diaspora" that are losing their relevance — but the clash of rigidly observant and secular Jews between whom "tensions and bitterness [are] growing." He says that "the conflict between the varying demands of religious observance is the most potentially disruptive threat to the unity of Jewish Israel."

Secondly, Grose decries the disastrous, self-indulgent inflation that has "brought the nation to a genuine economic crisis." As a result, 350,000 Israelis (10 percent of the population) have moved to the United States and many others ship their savings out of the country. "Israel is an economic ward of a foreign power, the United States," Grose adds. "The state of the Israeli economy is no longer a purely internal matter to be left to Israeli politicians. It is, to an increasing degree, the United States Treasury and the American taxpayer that underwrite the economic priorities defined in Jerusalem."

Third, he says, "The undeniable reality, not planned and not pleasing to either side, is that the extended Jewish state of Israel is becoming a binational society." But he disagrees that

higher Arab birthrates will eventually overwhelm the Jewish state. He points out that between 1967 and 1982, the West Bank birth rate was indeed 4.1 percent, but the actual population growth was only 1.4 percent. "The fact is Arabs are quietly leaving the West Bank," he says. "The regime of martial law that existed since 1967 serves the interests of Jewish Israel quite well, and the Arab Palestinians under occupation have not yet rallied to challenge this status quo."

Fourth, Israel replaced wars of survival with a war of conquest. Israeli troops "had always believed that when they were sent to the front line, it was to defend Israel's vital interests and survival. That faith was lost in Lebanon."

Disillusionment spread to the civilian population. Ariel Sharon's arrogant 1982 invasion of Lebanon (which the United States' "unwillingly" underwrote) turned adventurism into despair and 600 Israeli dead. It was a "tragic and costly blunder," Grose says, "more than at any other time in their history, Israelis began to question the legitimacy of their government's military judgement. A serious breakdown of civil responsibility had occurred."

Now, the so-called "unity government" headed by Shimon Peres is trying to escape from Lebanon, bring the economy down to earth and restore the Israelis' faith in themselves as a righteous people. It has a lot of sweeping up to do. Peter Grose explains some of the reasons why. His book, the product of a Council on Foreign Relations study group on Israel, is short enough, clear enough and right enough to offer a reader a quick once-over of the state of Israel today.

But Grose goes a step further. He recommends what Americans should do about this changing Israel. If the United States were to follow Peter Grose's controversial prescriptions, it would:

- Keep the U.S. Embassy in Tel Aviv; Grose says to move it to Jerusalem, Israel's capital, is "a foolish and irresponsible" proposal — despite repeated political promises to do so.

- Put a cap on economic support to Israel to stop fueling the runaway inflation that Israeli politicians do not have the courage to deal with.

- Send financial aid to improve the living conditions and productivity of Arabs on the West Bank, since, Grose says, they are not about to get either national self-determination or Israeli annexation.

- Accept the premise that the 1967 borders on the Jordan River and the Golan Heights "may well hold firm for a long time to come."

- Somehow arrange "a stand-off understanding" between Israel and Syria to minimize the danger of renewed hostilities.
- When the time comes for Middle East mediation, invite the Soviet Union to be "in the supporting cast, rather than carping from the galleries."

These very debatable recommendations are an attempt by Grose (and presumably the council's study group) to outline an American policy in response to a changing Israel. They deserve to be poured into the pot of the ongoing debate.

J. Robert Moskine, senior editor of World Press Review, is the author of "Among Lions," the story of the battle for Jerusalem in 1967. He wrote this review for The Washington Post.

BRIDGE

By Alan Truscott

ON the diagrammed deal, the dummy by North showed

spade support with at least

invitational values. Three

spades would have shown a

desire to reject an invitation,

so South optimistically jumped to game.

It made no difference, for

North would have continued

over three spades.

The opening heart lead was

won in the dummy, and South

tried a trump finesse. West

took his king and continued

hearts. When the declarer

ruffed, he had to worry about

the possibility of losing a trick

in each minor suit. There was

a faint chance of avoiding a

diamond loser, so he considered

the possibility of leading the

diamond jack eventually from

the dummy to pin a hypothetical

doubleton ten in the West

hand.

In view of the overall,

it seemed probable that West

held either the diamond king

or the club queen or both. So

South laid a little trap by lead-

ing the diamond deuce from

his hand. West might have

asked himself why the declarer

would play diamonds at this

point, but he failed to scent

danger and routinely played

low. When the jack won in

dummy, South had a road

open to success and found it.

Trumps were drawn, and the

diamond ace was cashed. It

was now clear that West had

begun with three spades, five

hearts and at least three

diamonds. So the top clubs were

cashed, spurring a finesse that

was doomed to lose, and West

was thrown in with a diamond

lead. He had to concede a ruff

and sluff, so the club loser dis-

appeared, and the game was

made.

SPORTS

Cubs, Padres Still the National League Teams to Beat

New York Times Service
NEW YORK — The following National League baseball preview was prepared and written by Joseph Durso. The order of teams reflects the predicted order of finish.

EASTERN DIVISION

Trades built Chicago into a division champion in 1984, when the team won 25 more games than the year before and rose from fifth place to first with the best record in the league. But the Cubs remember how they blew the pennant to San Diego, which lost two straight games in the playoff before sweeping the series.

So they're still searching for their first pennant in 40 years, and they have help. It's not so much that they added great talent, but that they kept it. Their three top pitchers — Rick Sutcliffe (who won the Cy Young Award as the best in the league), Dennis Eckersley and Steve Trout — were re-signed, as free agents, at a collective cost of around \$16.5 million.

Six of Chicago's eight regulars drove in more than 80 runs apiece, including Ryne Sandberg, the league's most valuable player, who batted .314 with 19 triples, 19 home runs, 114 runs, and 32 stolen bases.

The Cubs scored more runs than any other team in the league (762)

last year, and 110 more than the second-place New York Mets, whom they beat 12 times in 18 games. That was probably the title right there.

It's a cliché, but New York Manager Dave Johnson can't help voicing it when he evaluates the Mets' chances: "We're going to go as far as our pitching takes us."

So the Mets may be facing a more arduous time than they foresaw when they opened spring training — in the last two weeks, the young pitching has begun to come apart. Starter Bruce Berenyi developed a sore shoulder. Sid Fernandez ballooned to a pre-season earned-run average of 8.38 and won a ticket back to the minor leagues. And reliever Brent Gaff will go on the disabled list Tuesday with shoulder problems.

The bullpen still includes the effective Jesse Orosco and Doug Sisk, and there seems to be no doubt about starter Dwight Gooden's virtuoso ability (276 strikeouts as a rookie last year).

The young arms will open with a powerful ally — All-Star catcher Gary Carter, picked up from Montreal. A 10-year veteran, Carter has a strong throwing arm and a commanding personality. He also batted in 106 runs last year and should help first baseman Keith Hernandez

and outfielder Darryl Strawberry to achieve Johnson's most urgent goal of increased scoring.

St. Louis scored only 652 runs but stole 220 bases last year, and nobody else came close. Says Manager Whitey Herzog: "We've got the best defense in the league, and the most speed."

But he also has a hole in the bullpen with the loss of Bruce Sutter, who saved 45 games last season before signing with Atlanta as a free agent. He also does not have George Hendrick (traded to Pittsburgh) or David Green (traded to Los Angeles) to replace Sutter.

Manager John Felske has good news and bad news. The good news is that the top three men in the lineup can fly — Lefty Stone (27 stolen bases in 51 games last year), Juan Samuel (72 steals, a record for a rookie) and Von Hayes (48).

The bad news is that the infield defense is a menace: Samuel made as many errors (33) as the entire Chicago infield.

At Holland saved 29 games but lost his touch entirely down the home stretch. Felske is trying to convert Charles Hudson to the bullpen to help Holland support old pitcher Steve Carlton, 40, and Jerry Koosman, 42.

Once the hardest-hitting club in the business, Pittsburgh scored only 615 runs last year and plunged

into last place, although the pitching staff had baseball's best ERA (3.11).

"We were in 93 games decided by two runs or less," says Manager Chuck Tanner, "and we lost 63 of them. We didn't have the 'Lumber Company' of 1979. We had to go out and get some bats."

They did, too — George Hendrick from the Cardinals and Steve Kemp from the Yankees. Last season's most important casualty was Bill Madlock, the four-time batting champion who hit only .253, with shoulder and elbow injuries, before surgery ended his season in August.

Biggest experiment: Switching John Cantelero from the starting staff to the bullpen. "I put Goose Gossage and Terry Forster in the bullpen once," Tanner says, "and Candy can be just as great."

WESTERN DIVISION
A lot of things went right for San Diego last season: The Padres suffered no major injury until Kevin McKeon fractured his wrist in the playoffs; they drew clear of the pack by midsummer and won the pennant for the first time even though they played only .500 ball down the stretch.

They made two significant moves during the winter, acquiring pitcher LaMar Hoyt from the Chicago White Sox (for Tim Lollar, Luis Salazar and Ozzie Guillen, the prize rookie shortstop) and signing Jerry Rousey as a free agent, adding depth at second and third base and in left field.

Hoyt was both expensive and mysterious: In 1983, he won 24 games and the Cy Young Award; in 1984, he was 13-18. He joins a rotation that also includes Eric Show and Andy Hawkins and left-handers Dave Dravecky and Mark Thurmond.

Manager Dick Williams has yet to figure out why his five World Series starting pitchers lasted a total of just over 10 innings with a composite ERA of 13.94.

Joe Torre is gone as Atlanta's manager after finishing first once and second twice. The new man is Eddie Haas, but the main new man is relief pitcher Steve Carlton, 40, and Jerry Koosman, 42.

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College Heads Urge Tough Guidelines

By William Gildea
New York Times Service

WASHINGTON — Presidents and chancellors of the National Collegiate Athletic Association's member institutions expressed deep concern late Friday about financial abuses and the "state of integrity in intercollegiate athletics" and announced proposals in both areas that they plan to introduce at a special NCAA convention in June.

The commission's recommendations are based on the results of a nationwide survey of college officials. The 44-member commission, formed 15 months ago, voiced its alarm coincidentally against the backdrop of a point-shaving scandal in the basketball program at Tulane University. Also by chance, June's special convention will be held in New Orleans, where Tulane is located.

The commission proposes that:

- Athletic budgets be controlled by the institutions, be subject to normal budgeting procedures and be approved by the schools' chief executive officers.
- An annual audit of all expenditures for an institution's athletic programs be conducted by an independent auditor.
- The NCAA's enforcement procedure be revised to

spell out major and secondary rules violations, and to establish specific penalties for violations.

• Restrictions be carried over on rules-breaking coaches who might leave one institution for another. In addition, the commission is recommending actions calling for penalties against athletes knowingly involved in NCAA rules violations and for a limit on the number of basketball games a school may play in a season.

In what Ryan called "apparently the most comprehensive and definitive national survey of presidential views regarding athletics ever taken," 99 percent of the college heads were "concerned about integrity problems in athletics."

Eighty percent noted concern over income-generating demands of major sports, 75 percent feared illegal inducements to prospective athletes, 71 percent feared rules violations by alumni and boosters and 62 percent cited athletes' academic work as a serious problem. Another concern was violations by coaches. Sixty percent of the 791 NCAA college heads responded to the survey.

Ryan said the proposals were "just a beginning," and that the updating and enforcement of rules had to be vigorous.

Ryan said he was not familiar with the specifics of the Tulane case but that the school's "reaction," which includes dropping basketball, is "an attempt by a great university to deal with its problems."

He commended the NCAA's enforcement arm, but said the staff was small and overworked and needed to be enlarged.



Sutter: A Cardinal no more.

Blues, Canadiens Clinch NHL Divisional Crowns

Los Angeles Times Service

LOS ANGELES — St. Louis and Montreal clinched division titles on Saturday, the next-to-last day of the National Hockey League's regular season.

In Bloomington, Minnesota, the Blues won the Norris Division by coming from behind to beat the North Stars, 4-3. The Canadiens more or less bled into the Adams title by tying Boston, 4-4, while Quebec was losing to Hartford, 2-1.

Elsewhere it was Chicago 2, Detroit 1; New Jersey 5, Toronto 1; Washington 7, Pittsburgh 4; Winnipeg 6, Edmonton 3; and Vancouver 4, Los Angeles 4. On Friday it was Calgary 5, Edmonton 3 and Los Angeles 4, Vancouver 3.

Minnesota, which finished fourth in the Norris Division and will open the first round of Stanley Cup competition Wednesday night in St. Louis, jumped off to a 3-0 lead in the first period. But the Blues, 6-1-1 against the North Stars, scored a goal back in the

second and exploded for three in the third period to win.

After Dave Barr cut the lead to 3-1 at 8:10, the Blues tied it on former North Star Craig Levein's fluke goal four minutes later. Levein fired a high shot from the point that struck Minnesota defenseman Dan Mandich in the back and carried into the net.

With just 3:48 left in regulation, Barr scored his 16th goal to make it 4-3. The victory gave the Blues their first division title since 1981.

In Montreal, the Canadiens fought back from a 4-2 deficit to gain the point they needed to win their first division title since 1981-82. Montreal's Mike McPhee and Alfie Turcotte closed out the scoring with goals three minutes apart; Turcotte's came with 3:16 left in the second period, after which rookie goalie Clint Daskalakis of Boston and Steve Penney of the Canadiens took charge.

In the last 28 minutes, including overtime, Daskalakis stopped 12 shots and Penney 11. Daskalakis made a clutch save on a shot by McPhee from a sharp angle with one minute left in overtime.

Mavericks Hurt by TKOs

United Press International

DALLAS — The Houston Rockets won Saturday night's game, and they weren't even involved in the war. The National Basketball Association contest was between the Rockets and the Dallas Mavericks, the Rockets winning

a technical foul on Derek Harper in the third quarter, he called two quickies on Motta.

Aguirre's first technical came early in the second period. As the teams were leaving for the locker room at the half, Strom called another. After the game, Strom said only that Aguirre had committed an unsportsmanlike act. The head of Remington Arms security said Strom told him at the half that Aguirre had "put his hand right up in my face."

The Mavericks aired a videotape of the incident that showed Aguirre about eight feet from Strom and walking away when the technical was called.

During the third period Rolando Adelman of Dallas and Houston's Lionel Hollins took turns throwing the ball at each other and double technicals were called. "He came over to our bench," Motta said to Strom, "and wanted to explain it. He can't do that — he's supposed to explain it to the captain. He said to me he'd explain it to me if I was interested. I said I wasn't, particularly. So he gave me a technical."

During Strom's dealings with Motta, the crowd threw ice and debris onto the court.

Lewis Lloyd and John Lucas each scored 28 points for the Rockets; Olajuwon had 27. The Mavericks were led by 23 points from Jay Vincent.

SCOREBOARD

Hockey

NHL Standings

WALLES CONFERENCE

Patrick Division

W L T Pts GF GA

Philadelphia 43 23 9 91 315 237

Washington 40 34 6 84 345 313

New York Islanders 35 34 10 80 314 343

New York Rangers 22 47 10 54 303 340

Pittsburgh 24 30 5 52 278 314

Adams Division

W L T Pts GF GA

Montreal 36 27 12 84 286 258

Buffalo 36 27 10 84 286 258

Quebec 36 27 10 84 286 258

Boston 35 34 10 80 314 343

Hartford 30 28 9 69 257 314

Campbell Conference

Norris Division

W L T Pts GF GA

St. Louis 37 21 8 82 293 263

Chicago 37 21 8 82 293 263

Detroit 37 21 8 82 293 263

Minnesota 35 34 10 80 314 343

San Jose 35 34 10 80 314 343

Vancouver 35 34 10 80 314 343

Smythe Division

W L T Pts GF GA

Edmonton 43 27 9 91 315 237

Winnipeg 40 34 6 84 345 313

Calgary 35 34 10 80 314 343

Los Angeles 22 47 10 54 303 340

Vancouver 24 30 5 52 278 314

Friday's Results

Colony

Edmonton 43 27 9 91 315 237

Winnipeg 40 34 6 84 345 313

Calgary 35 34 10 80 314 343

Los Angeles 22 47 10 54 303 340

Vancouver 24 30 5 52 278 314

Saturday's Results

Vancouver

Edmonton 43 27 9 91 315 237

Winnipeg 40 34 6 84 345 313

Calgary 35 34 10 80 314 343

Los Angeles 22 47 10 54 303 340

Vancouver 24 30 5 52 278 314

Basketball

NBA Standings

Eastern Conference

Atlantic Division

W L Pct. GB

Boston 31 26 71.4

Philadelphia 30 27 71.4

New York 29 28 72.0

New Jersey 28 29 72.5

Washington 28 29 72.5

Detroit 28 29 72.5

Cleveland 28 29 72.5

Milwaukee 28 29 72.5

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Making President's Day

The sinister side of day-making

What made the president's use of the kids' street lingo so effective, and so infuriating, was the double meaning of "Uncle." As both the signal for surrender and the short form of "Uncle Sam," the president gave a special emphasis of knuckling under to the United States. I think the double meaning was not intentional; it was delivered in entirely too offhand a way for that.

New York Times Service

Richard Chamberlain's 'Hero Space'



Wallenberg in 1943.

The Wallenberg story is based on the book "Lost Hero: The Mystery of Raoul Wallenberg," by Frederick E. Werbell and Thurston B. Clarke. The script was written by Gerald Green



Johnson, who carries impressive credentials ("The Execution of Private Slovik," "Fear on Trial"), directed the filming in Zagreb, Yugoslavia. Berg ("A Rumor of War," "The Martian Chronicles") is the executive producer.

Chamberlain, who has an eye to becoming an executive producer himself, has been in Africa recently, working on a remake of "King Solomon's Mines," in which he reprises the role Stewart Granger played in the 1950 film.

And there's another TV mini-series in the offing, with Chamberlain playing John C. Fremont, politician, general and explorer of the American West.

One day, Chamberlain joked he'd like to play a simple character, with no hero-space to worry about.

"I'd like to play the guy next door," he said, "with a couple of kids and a lot of problems."

PARIS POSTCARD

The New Breed of Exiles

around the world, life in the City of Light, as some of the current Paris exiles made clear, can be something less than what Ernest Hemingway once described as "A Moveable Feast."

"For the Americans who came in the 1920s, Paris was a vacation, a lark," the Soviet novelist Vladimir Maximov said. "For the Russian writers here now it's no vacation;

"When I was at home in Tehran and I closed all the windows, I could still hear, with my inner ear, the slightest vibration from the street," Naderpour said. "In exile if I open the windows wide, I remain deaf.

"I hear the noise, but the noise does not concern me. There is something broken between me and the country in which I live. That is exile."

INTERNATIONAL CLASSIFIED

[illegible]